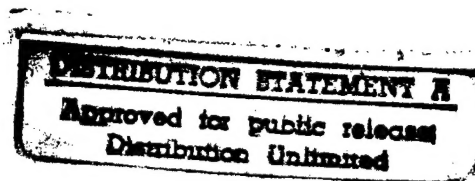


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Southeast Asia Report



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26 October 1984

SOUTHEAST ASIA REPORT

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INDONESIAN DIPLOMATS JUDGED UNPREPARED FOR DUTIES

Views of Foreign Policy Observer

Jakarta KOMPAS in Indonesian 24 Aug 84 p 1

[Text] Canberra, KOMPAS--Indonesian diplomats in general do not receive adequate preparation for their duties abroad. One evidence of this is their [limited] knowledge of English, which keeps them from detecting the nuances of political speeches.

Dr William James O'Malley, an observer of Indonesian foreign policy and a researcher in the Department of Political and Social Change of the Australian National University, said this in an interview with Dr Savitri Scherer, KOMPAS correspondent in Canberra.

"It is also apparent," added Dr O'Malley, "that Indonesian diplomats are not able to perform both of their duties at the same time. Their first responsibility is to present and clarify Indonesia's policy, and the second is to report back to Jakarta on important situations and developments in the countries to which they are posted. They generally feel that their duty is only to do the first.

"Furthermore, Indonesian diplomats, with some exceptions--like Ambassador August Marpaung--dislike confrontation with people who disagree with them. This is understandable, since it is hard for them to face situations like that with self-confidence when their knowledge of English is minimal."

Dr O'Malley, who is a U.S. citizen, judged that the limited capabilities of these diplomats results in reports to Jakarta that are "not deep enough." Consequently, Jakarta fails to give proper attention and prompt reaction. Political knowledge and expertise are also very important to their support of Indonesian foreign policy actions and positions.

Dr O'Malley praised the Indonesian ambassador to Australia, August Marpaung, who in fact accepts visits by, or calls on, people who disagree with Indonesia. "And with this competence as a diplomat, he has succeeded in persuasively clarifying the policies of his government," said Dr O'Malley, who has a doctorate from Cornell University.

Form Groups

In Dr O'Malley's view, although Indonesian diplomats do not hide as Chinese and Vietnamese diplomats do, they still do not move enough in political and intellectual circles of their assigned countries. Such association is extremely important for absorbing information and studying situations. Furthermore, the wives of diplomats do not participate enough in social functions, for example, whereas this type of participation would greatly enhance relations with the community outside of diplomatic circles.

In a 1983 seminar on Indonesian foreign policy, Dr O'Malley had noted the lack of activity by Indonesian diplomats. In spite of everything, Indonesia's active foreign policy will be successful only if it is supported by active diplomats.

Official Comment

Jakarta KOMPAS in Indonesian 25 Aug 84 p 1, 12

[Text] Jakarta, KOMPAS--Dr William O'Malley's opinion that most Indonesian diplomats do not receive adequate preparation for assignments abroad and are not active enough in performance of their jobs agrees with observations made by DEPLU [Department of Foreign Affairs], which has therefore done several forms of upgrading in the preparation of diplomats before sending them to the field.

DEPLU secretary general Soedarmono told KOMPAS this in his office on Friday [24 August] afternoon. Although Dr Juwono Soedarsono agreed in principle with Dr O'Malley's views, he said that "Indonesian diplomats are not the only ones like that, and many diplomats from other countries are reluctant to study the languages and social aspects of their assigned locations."

UN Languages

Soedarmono explained that DEPLU provides Indonesian diplomats with reference materials (operational guidelines) to help them deal with problems and requires them to master various of the UN languages, such as French, English and Spanish. "I don't mean that each diplomat must know all the UN languages but that DEPLU overall has competency in them," he stated.

According to Soedarmono, diplomats are always able to review their reference materials when difficult problems arise. Nevertheless, he continued, the results of these DEPLU efforts will not be seen for 2 or 3 years.

These measures do not mean that all diplomats have low levels of ability. Many of them have reputations to be proud of, especially senior diplomats like August Marpaung, who once openly challenged the Australian press to a debate on Indonesian policy in Irian Jaya.

Soedarmono stated that a system of apprenticeship, first assignments and compulsory foreign language study was introduced 3 years ago to deal with the shortcomings of Indonesian diplomats. "Such requirements did not exist before. It was possible, therefore, for a person without a good knowledge of English to go overseas," he said.

He said that he hopes these measures taken by DEPLU will cause the maturing process to occur quickly, enabling diplomats to be "combat ready."

Nevertheless, both Soedarmono and Juwono denied that our diplomats abroad find it difficult to report on the countries where they are placed.

Juwono said that whether a diplomat is active or not depends very much on his post. If his post is important to Indonesia, he must be active, and vice versa.

6942

CSO: 4213/9

TRADITIONAL CONFLICT AMONG ISLAMIC PARTIES REVIEWED

Jakarta TEMPO in Indonesian 25 Aug 84 p 17

[Text] After 11 years of "fusion," the PPP [Development Union Party] is finally holding its first congress. This has been indeed a long time for Indonesia's second largest party, known as the "Islamic party." During the same period, GOLKAR [Organization of Functional Groups] held three congresses and the PDI [Indonesian Democracy Party] two.

This possibly reflects the condition of the PPP itself. Dissension and internal crises have always cast a shadow over the party. The picture of the Kaaba and the Islamic flag have not afforded strength enough to bind together the four elements of the party (NU [Muslim Scholars Party], Indonesian Muslims [MI], PSII [Indonesian Islamic Union Party], and PERTI [Islamic Education Union]), which signed the declaration forming the PPP on 5 January 1973. The history of the PPP has always been marked by conflict, even to the point that the thought once surfaced that uniting the Indonesian Islamic community is an impossibility.

To what extent is that the truth? Following Indonesia's independence, several existing Islamic organizations banded together in November 1945 as Masyumi. That federation did not live long. In 1948, the PSII withdrew, followed by the NU in 1952. The split was based mainly on competition among leaders and fights over seats in the cabinet, which in the era of parliamentary democracy was formed by the parties.

The idea that Masyumi was the dominant Islamic party fell apart in the 1955 general election, when Masyumi won 57 DPR [parliament] seats, while the newcomer NU captured 45 seats. Masyumi's involvement in the regional unrest that ended in the PRRI/PERMESTA [Revolutionary Government of the Republic of Indonesia/Total Struggle Movement] rebellion weakened the party. Several Masyumi leaders, like Sjafruddin Prawiranegara, Burhanuddin Harahap and Muhammad Natsir, in December 1957 joined the PRRI in Padang.

In August 1960, President Soekarno declared the banning of Masyumi and the PSI.

The birth of the New Order and the fall of Bung Karno prompted a desire among former Masyumi members to revive the party. In December 1965, there was

formed the Muslim Practices Coordination Body, made up of 16 organizations formerly closely associated or federated with Masyumi, like Muhammadiyah, Al-Irsyad and Jamiatul Al-Washliyah. A committee was then formed to rehabilitate Masyumi.

Meanwhile, the government and ABRI [Indonesian Armed Forces] continued to adhere to the declaration ABRI made at the end of 1966: ABRI would take strong action against anyone who deviated from Pancasila [the five basic principles of the Indonesian republic] and the 1945 Constitution, as ABRI had done against the Madiun Rebellion, DI/TII [State of Islam/Islamic Army of Indonesia], G-30-S/PKI [30 September Movement/Indonesian Communist Party] and "Masyumi/PSI." In a letter replying to Prawoto at the beginning of January 1967, General Soeharto rejected the rehabilitation of Masyumi.

On 7 May 1967, a committee was formed under the leadership of Faqih Usman, Anwar Harjono and Agus Sudono to "form a political organization for the Islamic community, whose political aspirations were not accommodated by existing organizations." Its goal was to form a new party named the Indonesian Muslim Party [PARMUSI].

ABRI's position then became increasingly clear: former Masyumi leaders were not wanted in the new organization. Several proposals for the makeup of a PARMUSI DPP [central executive council] were turned down because they had a core of former Masyumi figures. After various meetings were held, Presidential SK [letter of decision] No 70/1968 of 20 February 1968 approved the formation of PARMUSI under Djarnawi Hadikusomo as chairman and Lukman Harun as secretary general. For the first time there appeared the name of J. Naro, who was one of the chairmen, representing Jamiatul Al-Washliyah.

Meanwhile, the desire to select former Masyumi leaders continued strong. The first PARMUSI congress, held in Madiun in November 1968, chose Mohammad Roem as general chairman, accompanied by Anwar Harjono, Hasan Basri and A. R. Baswedan. Several hours before the congress adjourned, however, a telegram arrived from Minister/State Secretary Alamsyah declaring that the change made in PARMUSI leadership violated Presidential SK No 70/1968.

After that, the government's relations with PARMUSI became colder. In mid-October 1970 a "coup" took place: J. Naro and Imron Kadir took control of PARMUSI, charging that leadership under Djarnawi was anti-ABRI. Djarnawi expelled them, but the two of them in turn expelled Djarnawi.

The government then intervened. By Presidential SK No 77/1970, H. M. S. Mintaredja of Muhammadiyah was appointed as new general chairman of PARMUSI.

Party system simplification initiated by the government in 1973 required the four Islamic parties, NU, MI, PSII and PERTI, to be united as the Development Union Party. Many people charge that this fusion made by a "welding torch" from above has been one of the causes of extended conflict in the PPP.

Although the National Conference of Party Councils in 1975 decided that the first PPP congress would be held in 1976, the congress did not in fact take place. At that time the government appeared to approve a congress, but many elements in the PPP were unwilling. Dissension among those elements added to the difficulty of arranging a congress, and the organizational structure of the PPP itself further complicated the disagreement among competing elements. The transfer of the general chairmanship from Mintaredja to J. Naro in 1978 without an election was another point of disagreement.

Just prior to the 1982 general election, controversy between the NU and the MI came to a head. Calls for a congress became ever louder, but the government apparently did not give the green light. Permission was finally granted in 1984, "so that the crisis within the PPP can be resolved quickly and the 1987 general election will be a success," as one official said. But can this first congress resolve the internal conflicts of the PPP?

6942

CSO: 4213/9

EXPANDED GRESIK PETROCHEMICAL PLANT ON STREAM

Jakarta KOMPAS in Indonesian 27 Aug 84 p 12

[Text] Jakarta, KOMPAS--The phase two expanded portion of the Gresik Petrochemical Plant has begun production, and dedication by President Soeharto is expected at the beginning of October, following Armed Forces Day on 5 October.

Minister of Industry Engr Hartarto announced this following his report on completion of the project expansion to President Soeharto at Bina Graha on Saturday [25 August].

Phase two of the Gresik Petrochemical Plant consists of five plants, which, according to Hartarto, actually form an interindustry unit, in which each industry supports the others.

The five plants are as follows: (1) a phosphoric acid plant with a production capacity of 317,000 tons per year, most of which will be supplied to the fertilizer factories; (2) a sulfuric acid plant with a capacity of 510,000 tons to meet the needs of the Gresik Petrochemical Plant itself; (3) a gypsum plant with a production capacity of 440,000 tons to supply the needs of the fertilizer factories; (4) a ZA [ammonium sulfate] plant with a capacity of 250,000 tons (added to the current capacity of 200,000 tons, the national installed capacity for ZA fertilizer will be 450,000 tons); and (5) an aluminum fluoride plant with an annual capacity of 12,600 tons to supply raw material for the Inalum factory at Asahan.

Hartarto said that the five plants cost about 205 billion rupiahs in their entirety.

Engineering

Hartarto also reported to the head of state on preparations for expanding engineering and construction capabilities. In his recent state address, President Soeharto stated that with the entrance to an era of industrialization in PELITA [5-year development plan] IV, development includes not only the physical aspect but, more importantly, software.

"This is difficult, but we must do it, since the development of a capability in engineering and construction is very strategic for our country," declared Hartarto. The minister said that pioneering in this area began in PELITA III using existing capabilities. Specific sectors included agribusiness, palm dates, sugar, fertilizer and oil, and progress will continue in the future.

For this purpose, Hartarto stated, the establishment of a national policy on engineering and construction is expected by the end of October. This policy will also relate to expansion of national production, especially in the machine and factory equipment industries.

6942

CSO: 4213/9

KAMPUCHEA

REFUGEES FLEE KPNLF CAMPS

Bangkok DAO SIAM in Thai 30 Jul 84 pp 1, 2

[Article: "Traitors Arrested for Helping Kampuchean Refugees Flee and Hide In the city"]

[Text] Two Thai traitors and three Kampuchean refugees who were fleeing from a refugee camp to live with Chinese relatives in Bangkok were arrested. They had paid 5,000 baht apiece. Before being arrested, [the two Thais] had become rich from helping refugees escape from the refugee camp.

A DAO SIAM reporter in Prachinburi Province reported that at 0630 hours on 29 July, when the tour bus reached the Nong Kung Checkpoint in Wattana Nakhon District, Prachinburi Province, on its way from Aranyaprathet District in Prachinburi Province to Bangkok, soldiers and policemen signaled the tour bus to stop. Lieutenant Amnat Panaphan, Sublieutenant Thirarat Warakitti and Police Private Sanam Chuthep, police officials stationed at the provincial police station in Wattana Nakhon District, boarded the bus to conduct an inspection and check the passengers since it was thought that foreigners might be trying to flee to the city.

When the officials checked the passengers, they found three Kampucheans who did not have any identification. They were identified as Mr Li and Mrs Unput, who had come from the Nong Samet refugee camp, and Mr Lithao, who had come from the Khao I Dang refugee camp. Mr Sunthon Sae Tang, age 53, who lives at 8/7 Nong Nguluom Subdistrict in Muang District, Nakhon Pathom Province, and Mrs Malai Saengthong, age 36, who lives at 204 Village 9 in Ban Yai Nongthai Subdistrict, Aranyaprathet District, Prachinburi Province, were the ones who were helping them to flee from the refugee camps. They were paid 5,000 baht per refugee. The Kampuchean refugees were of Chinese extraction and had relatives in Bangkok. Thus, they wanted to flee from the refugee camps and go hide in Bangkok before finding some other place to live. Mr Sunthon and Mrs Malai confessed that they had been engaged in such activities for a long time and that this was the first time that they had been caught. Officials placed them under arrest for further handling of the case.

11943

CSO: 4207/213

LAOS

MARINE POLICE CATCH SMUGGLERS TRANSPORTING GOODS TO LAOS

Bangkok NAE0 NA in Thai 6 Aug 84 p 7

[Article: "Vietnamese Refugee Caught Smuggling War Marterials to Laos; When Thai Police Gave Chase, He Threw the Goods Overboard, Only the Boat Was Seized"]

[Text] A Vietnamese refugee who was smuggling war materials across the Mekong River and selling them in Laos was arrested. Marine police gave chase, and when the smugglers saw that they were trapped, they threw all the goods overboard. The police arrested the suspects and seized the speedboat as evidence for further handling of the case.

A report from Mukdahan Province stated that at 0700 hours on 3 August, Police Captain Kong Yondap, the head of the Marine Police in Mukdahan Province, learned that a Vietnamese refugee, in cooperation with a Thai citizen, was going to smuggle out war materials and sell them to the enemy in Savannakhet Province. Thus, together with Police Master Sergeant Niwat Wiangnon and another five marine police officials, he took an armed speedboat to intercept the smugglers in the Mekong River.

The news report said that at the time stated above they spotted a suspicious-looking speedboat and so they signaled it to stop for inspection. But the boat refused to stop and increased its speed in an attempt to flee to the Lao side. The police were ordered to follow it and arrest the suspects. The boat of the smugglers became grounded on a sandbar in the Mekong River on the Lao side. Using binoculars, it could be seen that there were two people in the boat and that they were helping each other throw the contraband overboard into the river. When officials reached them, they were able to seize only the men and the boat. There was no evidence left on the boat.

From the interrogation, the two suspects were identified as Mr Kan Nguyen Wan, age 56, a Vietnamese refugee who lives at 503 Village 2 in Nai Muang Subdistrict, Muang District, Mukdahan Province, and Mrs Chan Ratchiwong, age 43, a Thai who lives at 8 Village 8 in Sibunthai Subdistrict, Muang District. The two suspects were turned over to Police Sublieutenant Wichit Paksa, the deputy inspector who was on duty, for further investigation.

11943

CSO: 4207/213

PARTIES ASKED TO PLACE NATIONAL INTERESTS ABOVE POLITICAL INTERESTS

Kuala Lumpur UTUSAN MALAYSIA in Malay 11 Aug 84 p 8

/Editorial: "National Interests Above Party Interests"/

/Text/ The government's decision to extend the ban on political speeches that might threaten national security to Kelantan and Terengganu indicates how critical such speeches are from the standpoint of national security. A similar ban has been in effect in Kedah and Perlis since last Monday /6 August/.

Datuk Musa Hitam, the deputy prime minister who is also home affairs minister, said this step was not politically motivated as certain parties, namely those involved, have charged.

The country cannot face a general election and UMNO /United Malays National Organization/ also cannot face a leadership election under these circumstances. So, this step appears to be taken for reasons of national security, because speeches like those which had been presented create disunity among the people.

Compared with political parties in a number of other democratic nations, the National Front appears to be unlucky because it has opponents who stress political interests over national interests.

The speeches presented and the cassettes of those speeches that were passed around clearly contain elements of incitement, signs that they support terrorism or events that could create hatred among people.

This is very dangerous because it does not help to create unity but rather creates disunity. Muslims are stirred up to discriminate against each other. This results in the slaughter of certain Muslims who are unacceptable to other Muslims.

A demonstration of what can happen as a result of such dangerous speeches is the ban in several schools on Muslim students mixing with non-Muslim students.

The banning of these political speeches was not only aimed at PAS /Pan-Malay Islamic Party/ but at all political parties including UMNO. PAS members strongly felt the ban was aimed at their organization because they had presented these radical speeches.

Political parties should give serious attention to national security and place national interests above their own political interests. Political parties are responsible for maintaining national security. This is not just the government's responsibility.

6804

CSO: 4213/272

PARTIES URGED TO HEED DIRECTIVE ON POLITICAL SPEECHES

Kuala Lumpur UTUSAN MALAYSIA in Malay 16 Aug 84 p 8

/Editorial: "Speeches: Police Directive Should Be Observed"/

/Text/ The ban on speeches that might threaten national security does not mean that the government has banned all political speeches that truly provide information on party struggles.

Rather, speeches may still be presented, as Datuk Musa Hitam, deputy prime minister concurrently home affairs minister, said, except that he would like them to be given to audiences in building auditoriums with no overflow crowds listening outside.

The government is aware of the importance of political parties in a democratic nation such as Malaysia. They must be given an opportunity to provide their members as well as their supporters with information in meetings and to hold other events.

Channels must be available for any lawful political party whatsoever to speak to its supporters, and these avenues should not be closed to them. If such channels are not made available, underground movements will arise that will create more control problems for the government.

However, the government's decision to control political speeches so that they do not go beyond what is proper could be interpreted as closing the door to campaigning for all political parties, especially opposition parties.

Rather, PAS /Pan-Malay Islamic Party/ and every other party may continue to present speeches if they heed the security conditions laid down by the police. This is necessary to safeguard national security so that we may continue to have a free political system.

In this respect, all parties should cooperate fully with the police who are responsible for national security. In particular, PAS, which presents many speeches, must meet the conditions that have been imposed.

Party leaders, whether they support the government or not, must place national interests above party interests. Occasionally they have been wrong in their self-importance and thinking that the measures taken by the government smelled of politics.

As a party which has proved to be strong and big, it is illogical for UMNO /United Malays National Organization/ in particular and for the National Front in general to act, as has been reported, to curtail PAS influence only to try to frighten that organization.

The ban very clearly is aimed at safeguarding national security by taking steps before anything untoward happens.

6804

CSO: 4213/272

NEWSPAPER DECRIES ATTEMPTS TO DISUNITE MUSLIMS

Kuala LUMPUR UTUSAN MALAYSIA in Malay 10 Aug 84 p 8

/Editorial: "Islam Forbids Disunity Among Muslims"

/Text/ Muslims who are aware and knowledgeable about their religious principles cannot deny that divisive and hostile acts against their coreligionists are strictly forbidden by Allah and His Apostles.

Proof of this is found in Allah's decree contained in the Aali Imran Chapter, which demands that humans embrace the religion of Allah and that they maintain unity among his followers. Moreover, other texts forbid the continual disruption of unity in the Islamic community that eventually is believed to be part of Islamic Law.

Therefore, if any element is found to have so acted that it has disrupted the unity and brotherhood of Islam, steps must be taken to prevent or to oppose such activity to ensure that the strength and unity of Muslims remain intact.

The steps taken by the authorities to ban the political gatherings and speeches arranged by political parties and an organization in Kedah and Perlis are aimed at nothing more than to prevent such divisive elements from taking further action.

Malays who adhere to the Islamic religion must be united like those who follow Islam in other parts of the world, because it is only when they are united through strong brotherly ties that other groups will concur that political power may be held by Muslims.

Unfortunately different political principles have resulted in new religious rulings being made that create disunity and sever brotherly, and moreover, community ties.

In other words, in their desires to achieve the party's goals (which is to establish an Islamic government in Malaysia) PAS /Pan Malayan Islamic Party/ leaders, through their speeches, have endangered the concept of Islamic unity and brotherhood.

No one believes any longer that the major source of different prayers being offered by imams, the boycott of feasts held for religious purposes, death rituals, annulment of marriages, differentiation between burial grounds, and so on now going on in our country are the rulings or the idea that the present government is not an Islamic government and that all of its supporters (the majority of whom are Malays) are unbelievers (or infidels).

The disunity that is created through rulings which erode the faith of the largest group of Muslims in this country is supported by certain political interests.

Actions which place Muslims in the category of infidels are strictly forbidden by Islam. Steps must be taken to prevent certain elements from doing this, especially when such actions destroy Islamic unity and brotherhood.

Should Malay Muslims become disunited, they will no longer hold political power or, what is more, be able to achieve their desire to establish an Islamic nation.

6804

CSO: 4213/272

AUSTRALIA URGED TO STRENGTHEN TIES WITH ASIAN NATIONS

Kuala Lumpur UTUSAN MALAYSIA in Malay 13 Aug 84 p 8

/Editorial: "Malaysian-Australian Relations"/

/Text/ As has been conjectured, Datuk Sri Dr Mahathir's visit to Australia opens new ground for two-way relations and cooperation in a more friendly atmosphere than that which prevailed when he became prime minister 3 years ago.

The high point in unfriendly relations between Canberra and Kuala Lumpur was evident from Dr Mahathir's refusal to attend the meeting of the heads of Commonwealth nations in Melbourne in 1981. Many interpreted this decision to mean that relations between the prime minister and Mr Malcolm Frazer, the former prime minister of Australia, were not all that good.

However, the visit of Australian Prime Minister Mr Bob Hawke to Kuala Lumpur in February convinced Datuk Sri Dr Mahathir that Australia now had a new leadership. Mr Hawke placed more importance on friendly relations with neighboring nations than on those with Britain and Europe. This was evident from his overseas visits, the first of which was made to Papua New Guinea followed by visits to Indonesia, Thailand, and Malaysia.

Australia's changed attitude was awaited by its neighbors because it had been Eurocentric" for so long. Promises made by Mr Hawke during his visit with Datuk Sri Dr Mahathir apparently satisfied the prime minister.

Other than as a trade partner, Malaysia views Australia as a source of education. Mr Hawke's agreement to augment the quota for Malaysian students to attend Australian universities is very significant for a government that is facing pressure from a certain group, including their own professors, to reduce the number of Asian students entering that country.

The prime minister's visit to Australia may produce another result and that is he may convince Australia that it has friends here.

So, Australia must be convinced that it should become part of Asia and the Pacific.

This fits in with the new desire of that nation's leaders to seek Australia's own identity rather than remain in the shadow of Britain or Europe.

But to become part of Asia and the Pacific, it is not enough for Australia to make peace only with Malaysia. Actually as far as education is concerned, Malaysia has greater relations with Australia because it has the most students there. Nevertheless, in general Australia must also make peace with all nations including Indonesia.

Most important, ASEAN would prefer to have good collective relations with Australia. Australia must try to have friendly relations with all of its closest neighbors.

6804

CSO: 4213/272

INDONESIAN WORKERS PRAISED, OFFERED GOOD WORKING CONDITIONS

Kuala Lumpur BERITA HARIAN in Malay 15 Aug 84 p 4

/Article: "Only Indonesian Workers Are Really Suitable"

/Text/ Kuala Lumpur /14 August/--The government has confirmed that Indonesian workers are suitable and industrious.

Mr Radzi Tan Sri Shekih Ahmad, deputy minister for home affairs, today said this ensures that both the government and the workers will profit from this employment.

According to Mr Radzi, if they work well, the government can offer guarantees and employers will also reward them and offer them good facilities.

"Such a situation ensures that workers will not be oppressed by their employers, and 2-year contracts can be offered to those who create no problems," he remarked.

By the end of their contracts, he said, the workers definitely will have earned a good income because of the work atmosphere and satisfactory guarantees from employers.

Mr Radzi warned that any worker who enters Malaysia through a government-to-government agreement found to have violated that agreement will be repatriated immediately.

Violating the Rules

"Although it has been calculated that 60,000 workers will be imported, all will not arrive at the same time. They will be imported as the situation demands, for instance, when requested by employers, the capabilities and performance of the workers available, in addition to the world market demand for rubber and palm oil," he said.

Employers, he added, will submit an information report from time to time to the government indicating whether they need more workers or not.

"The most important criteria are whether the worker is of high calibre and whether the governments of both countries determine that the employers' requests should be filled," Mr Radzi said.

According to Mr Radzi, since 1980 more than 16,000 illegal immigrants from Indonesia were repatriated, and the government feels some may still be in this country.

6804

CSO: 4213/272

SHIPPING COMPANIES WARNED ABOUT LICENSE REVOCATION

Kuala Lumpur BERITA HARIAN in Malay 17 Aug 84 p 4

/Article: "Licenses of Shipping Companies To Be Revoked for Failure To Hire Local Seamen"/

/Text/ Kuala Lumpur, Thursday /16 August/--The Transportation Ministry will take firm measures against any shipping company registered in Malaysia if it fails to hire local seamen.

When contacted, Datuk Ishak Tadin, chief secretary, said the government will revoke or suspend the licenses of these companies because their actions violate regulations issued by the ministry.

Under those regulations, 75 percent of the crew hired by a shipping company registered in this country must consist of local seamen.

He made this statement when asked to expand on the complaint of Mr Zakaria Harun, age 47, spokesman for a group of 60 seamen in Kelang Port, to the effect that these companies refuse to employ local workers.

Mr Zaharia Harun said these companies have caused unemployment among local seamen.

At present there are some 1,000 qualified seamen in this country who hold Malaysian and foreign certificates and who have been unemployed for some time.

According to a newspaper report of last night, these companies prefer to take on seamen from Indonesia, Thailand, the Philippines, and Burma.

They prefer to do this because foreign workers can be paid lower wages than local seamen, but it was not admitted that some companies are ready to pay foreign seamen more.

Regarding Mr Zakaria Harun's complaint, Datuk Ishak, who also is chairman of the Home Affairs Shipping Licensing Board, said the ministry will investigate whether there is any basis for that complaint before it takes any steps.

To Be Paid

"This will be done because some shipping companies complain that it is difficult to find local seamen to meet all needs," he said.

He also confirmed that the country has a shortage of local seamen and this is one of the reasons why foreign seamen have to be employed.

"If it is true that there are 1,000 local seamen unemployed, they do not have an unemployment problem because we need them," he explained.

In the newspaper report, a representative of these seamen said they would send a memorandum to the Transportation Ministry on this matter if they continued to receive no attention of it no steps were taken to settle the problem.

Datuk Ishak advised them to submit a memorandum to him immediately and indicated his readiness to discuss the matter so that the problem could be settled.

6804

CSO: 4213/272

VOMD CHARGES TAXES LEVIED ON CHINESE REPRESSIVE

BK281442 (Clandestine) Voice of Malayan Democracy in Malay 1215 GMT 24 Sep 84

["News commentary": "The Intention of the Large-Scale Increase of Land Taxes in the Federal Territory Must Be Seriously Dealt With"]

[Summary from poor reception] "The Land Department of the Federal Territory increased large-scale land taxes of all Chinese organizations, schools, sports clubs, religious bodies and charity boards in the territory beginning this year. The issue has caused an uproar and encountered opposition from the Chinese community throughout the country, particularly in the Federal Territory. The rate of the land tax increase is so high and totally illogical that leaders of various Chinese groups have certainly suspected that the land tax increase is a real political suppression."

The rate of the land tax increase is up to 1,500 times higher than the original taxes. Examples show that most of the Chinese institutions have had their land taxes increased dramatically. For instance, an organization that paid 20 ringgit for its land tax last year must pay 30,000 ringgit this year.

The authorities asked the institutions to pay their land taxes for 1984 by the end of June this year. Those failing to do so would be fined and face a possible confiscation of their properties. The institutions have asked the authorities to lower the land taxes and to explain why they should be dramatically increased.

"An article in the news analysis column of a Chinese newspaper in the peninsula has criticized the politically-motivated, harsh attitude of the Land Department of the Federal Territory." The article considered the action taken by the land department clearly to neglect the public interest. The writer of the article pointed out the consequences of the action.

The institutions are looking for ways of dealing with the government's action. "Who is not suspicious of the intention of the authorities who have increased the land taxes on such a large scale? The central government has given local authorities a green light to follow along. This has marked a new development for the Kuala Lumpur regime to adopt steadily the racial path and to plan an additional blow to the Chinese community. The public has generally noted that the recent action by the Malacca government to claim a land tax amounting

to 2 million ringgit from the (Chen Huan Teng) council, which is charge of the Chinese cemetery land in Bukit China, took place following the increase of land taxes in the Federal Territory. This is another example of sensational political suppression of the Chinese community by the authorities through taxation."

"It is worth pointing out that the mass media tightly controlled by the government, especially Malay-language newspapers and the RTM [Radio Television Malaysia], did not report the action taken by the authorities to increase the land taxes imposed on Chinese organizations and the strong opposition mounted by the Chinese community. It is obvious that the authorities knew that actions complicating and suppressing nonindigeneous communities are not approved by the Malay community."

"We hold that not only the Chinese organizations in the Federal Territory and Malacca facing direct pressure in matters such as the increase of land taxes must look for long-term ways to face them but also the people of various nationalities in our country, who respect harmonious ethnic relationships, must be extremely vigilant against all evil actions by the Mahathir-Musa ruling clique, which has the intention of hurting the feeling of a nationality, and uncover in a timely manner the crimes of the reactionary regime that only pretends to say national unity but is in fact carrying out racial discrimination and suppression. What are long-term steps to deal with it? In the struggle to defend basic rights and interests, the people of all nationalities must make strong efforts to strengthen mutual understanding, be mutually sympathetic, attentive, helpful and fight for the establishment of a democratic coalition government that can fully preserve the common interests of all nationalities and a democratic coalition government that is based on the broad masses."

CSO: 4213/14

VOPM COMMENTS ON DEBTS OF 'MAHATHIR REGIME'

BK301518 (Clandestine) Voice of the People of Malaysia in Malay 1230 GMT 29
Sep 84

[Unattributed commentary]

[Summary from poor reception] Since assuming power, the debts suffered by the Mahathir regime, especially its foreign debts, have increased at a drastic rate. At present, the Kuala Lumpur regime is slipping so far into the deep valley of debts by borrowing new loans to pay off old debts that it can hardly survive. "If the problem of debts continues to grow at the current rate, the Kuala Lumpur regime will definitely face a serious debt crisis as is now faced by the Philippines and several Latin American countries. This serious situation has attracted the attention of experts from various circles in our country, while foreign economists also doubt the economic performance of the regime which continues to borrow loans."

"Way back in 1960's, the regime was already beginning to borrow domestic and foreign loans to cover the deficit in its balance of payments and to implement the so-called development programs. From 1960 to 1980, the total amount of domestic and foreign debts rose to a staggering 23.1 billion ringgit. Since 1981, or the year Mahathir was installed as prime minister, the state debts began to grow at an alarming rate. In 1981, the Kuala Lumpur regime borrowed another 7 billion ringgit, bringing the total debt to 30.1 billion ringgit. In 1982, the amount increased to 40.1 billion ringgit, while in 1983 it was 70.5 billion ringgit.

"Such a huge deficit can only be covered by borrowing more funds. If we include loans made by bureaucratic capitalist organizations such as the Malaysia Highway Authority and Petronas Oil Corporation, the total amount of their debts will exceed 10 billion ringgit.

"As of 1982, the regime's foreign debt already exceeded 10 billion ringgit, or about 29.4 percent of the total state debts. Deputy Finance Minister Sabaruddin Chik disclosed at a parliamentary hearing on 2 August this year that as of the end of 1983, foreign loans made by the government and bureaucratic capitalist organizations stood at 22.6 billion ringgit.

"The debt ratio nearly equals that of debt-ridden countries like Mexico, Brazil and Argentina. Former Finance Minister Razaleigh Hamzah often made misleading statements on debts. When he signed a foreign loans agreement, Razaleigh Hamzah said that the funds to repay the principal and interest of foreign loan constitute only 5 percent of the revenue earned from annual export earnings.

"The truth is, due to the growing foreign debt, the funds to repay the principal and the interest last year reached 11 percent of the total export revenue.

"At present, the reactionary regime has already fallen into the vicious circle of making new loans to repay old debts. During the past 4 years, our country's invisible trade recorded a huge deficit. Therefore, although there is a trade surplus, the balance of foreign trade will still record a deficit.

"It is reported that 42 sen of every ringgit borrowed last year have been used to repay old debts. This situation will get worse in the future.

"Three reasons for the growing foreign debts are: 1. Borrowing foreign loans for purchasing large fields, mines and enterprises belonging to the British capitalists at exorbitant prices; 2. Constructing skyscrapers and other big projects that cost a great deal of money; and 3. Implementing the heavy industries programs with a view to accelerating the growth of bureaucratic capital as well as controlling our country's economy. It is reported that the 11 projects implemented by the Heavy Industries Corporation of Malaysia require 6.6 billion ringgit.

"As of the end of last year, the total debt of the reactionary regime stood at 50.6 billion ringgit [as heard] and it is expected to increase to 60 billion ringgit this year. This means that every Malaysian, including newly born babies and elderly people, owes an average 4,000 ringgit. If a family consists of five members, then such a Malaysian family owes 20,000 ringgit. This is really a heavy burden brought about by a policy that has ruined the country and people. To counter the people's anger, Mahathir and his clique pay lip service by saying it is dangerous if the country depends too much on foreign loans. He makes assurances that the government will review development programs and reduce state expenditures and foreign loans. In the middle of 1982, Mahathir announced that the government would implement austerity measures, but people in general discovered that the so-called austerity measures were aimed at transferring the government economic crisis to the people of various nationalities in the country. He reduced various state allocations for public welfare while imposing more taxes. On the other hand, state allocations for bureaucratic capital promotion were increased.

"It can be predicted that in an effort to repay the principal and interest of their debt, the debt-ridden Mahathir regime will play more dirty tricks to exploit the people and transfer the economic crisis onto the people's shoulders. Besides depending more and more on the imperialists' monopoly capital to overcome the economic crisis, the new dirty tricks will clearly emerge in 1985 when the fifth Malaysian 5-year plan is announced."

CSO: 4213/14

BRIEFS

ATTACK TO ELIMINATE ARMED ROBBERS--On 22 July, troops from a unit of our army clashed with a small band of armed robbers in the northeast part of the Kedah-Thai border. Our troops overcame the robbers attack. The armed robbers had hampered the people's interests, disturbed peace in the village, practiced extortion, and suppressed the villagers. They were greatly hated by the local people. For the sake of defending the people's interests and to strengthen the revolutionary base, a unit of our troops operating in the area sent an attack unit to get rid of the robbers. On the evening of 22 July, upon learning that three of the armed robbers were in the village, our comrades from the attack unit unleashed a timely attack. In the clash, our troops had annihilated the ringleader of the robbers. According to the villagers, the ringleader had killed two local residents. The action taken by our troops drew praise from the local residents. [Text] [(Clandestine) Voice of the People of Malaysia in Malay 1230 GMT 29 Sep 84 BK]

VOPM NOTES MINE CASUALTIES--From early June until August this year, both the Malay and Thai reactionary groups directed their troops to carry out borderline marking and also the placing of boundary stones at the northeast Kedah-Thai border. During the 2 months, the enemy troops regularly stepped on landmines planted by our troops in the jungle. About 20 enemy troops were killed or wounded in the explosions. [Text] [(Clandestine) Voice of the People of Malaysia in Malay 1230 GMT 29 Sep 84 BK]

CSO: 4213/14

BRIEFS

FRENCH TEST DECISION--Singapore, 5 Oct (AFP)--New Zealand Prime Minister David Lange today lashed out at France for its reported decision to continue nuclear tests in the South Pacific until around the end of the century, describing it as "an abomination." "It's just not right that France should regard our backyard as its testing ground," he told a press conference shortly before leaving for Noumea, after a stopover here during which he had talks with Prime Minister Lee Kuan Yew. Mr Lange said he had told Mr Cheysson that New Zealand was "appalled" by the French decision to continue the tests "and we will use all our energies to put pressure on France to stop the tests." Mr Lange reiterated his government's position that New Zealand would continue to adhere to the ANZUS military treaty linking Australia, New Zealand and the United States, but would not allow nuclear-powered or nuclear-armed ships into New Zealand. He was confident the alliance could survive, because it involved more than just nuclear weapons. [By S. C. Pillai] [Excerpts] [Paris AFP in English 1423 GMT 5 Oct 84 NC]

CSO: 4200/48

AUSTRALIAN DEFENSE JOURNAL EXAMINES GROWING NPA THREAT

Political Power Base Analyzed

Kunyang, Australia PACIFIC DEFENSE REPORTER in English Jul 84 pp 6-8

[Article by Denis Warner]

[Text]

Until the beginning of May, the Marcos administration consistently denied that the Communist New People's Army posed a meaningful threat to the Philippines. Although the newspapers published startling figures about military casualties, the official line was that the situation was 'under control'. This was echoed in Washington. As late as February 7, John C. Monjo, Deputy Assistant Secretary of State for East Asian and Pacific Affairs, told a House of Representatives' Foreign Affairs Committee that the United States "does not view the New People's Army as a serious, near-term political threat, nor do the events ensuing from the Aquino assassination appear in themselves to have bolstered support for the Communist movement in the Philippines".

Then, on May 2, in an address celebrating the 48th anniversary of the Philippine Air Force, President Marcos reported there was growing evidence that "the Communists have infiltrated once more and are on the upsurge even in the centres of the towns".

In the latest incidents, he said, the New People's Army had fielded forces of between 40 and 100 men. "They are no longer fighting on the squad level," he added. "They are fighting on the platoon and company level."

With a frankness that must have astonished his military audience, he went on to say that there had been 2000 armed incidents in 1983. "It is not only in the countryside where the Communist rebels are active," he continued. "Emboldened by the liberal atmosphere of recent months, including apparent support from some of the media, as well as the leaders of the Opposition, the Communist elements have succeeded in infiltrating legitimate protest movements in urban areas and have unleashed a massive propaganda campaign designed to whip up mass hysteria, discontent and dissent against legitimate authority."

NPA not yet on offensive

By its own deliberate choice, the New People's Army is still a long way from moving into the offensive, but there is no longer any

The Republic of the Philippines consists of 7,107 islands, with a total land area of 115,739 square miles. Most of the population, more than half, is concentrated on the two main islands of Luzon and Mindanao, and many of the smaller islands are uninhabited. Tagalog and English are the two official languages. Roman Catholicism is the dominant religion, a legacy of 327 years of Spanish rule. Islam is strong in southern islands. The population of about 50 million includes more than 100 cultural and linguistic groups.

doubt that it does pose a major middle and long-term threat. Its hard core is small. Perhaps no more than one or two per cent are convinced ideologues, and its armed men probably total no more than 7000 to 8000. Its followers, however, number many hundreds of thousands. Its attraction for the Filipino people is that it does provide a credible alternative to what many regard as the incompetent, and oppressive Marcos administration.

The best recruiting agents for the New People's Army are not the cadres proselytizing in the *barrios* and *barangays*, but the corrupt and often tyrannical local leaders who have failed to respond to the people's wishes, whether economic, social or legal.

In September 1982 I reported in PDR that not since the early 1950s, when the Hukbala-haps (literally, the People's Army Against Japan) appeared to be on the point of success, had the Communist insurgents gone about their task of building a base for ultimate revolution with more sensible care. Although armed incidents involving the NPA and the Government forces had risen sharply, the

NPA was not on the offensive but was simply engaged in winning recruits. It had spread its net from the traditional areas of Pampanga, north of Manila, to the usually poor and neglected provinces along the Pacific coast.

The spread in the intervening two years has been dramatic. On Samar, the NPA has established its own infrastructure in parallel to that of the Government. This gives it effective control of about one third of the island. Another third is contested between the Government and the NPA, and the final third is under effective Government control.

From southern Samar, perhaps because of military pressure, the insurgents moved to northern Mindanao, which is now probably more affected than any other part of the archipelago. The sugar-growing island of Negros was almost unaffected two years ago. Today knowledgeable people on the island say that 2000 men have undergone training in NPA camps in Negros Occidental, a province occupying roughly two-thirds of the island.

No part of the archipelago is now free from NPA influence. Policemen in Davao City on Mindanao are regularly killed by NPA hit squads. There are said to be NPA hit squads in Bacold in Negros Occidental, and one Filipino friend in Manila told me that he had sent his young son abroad because he was recruited into the ranks of the NPA.

The role of the Church

The Roman Catholic Church, even at the highest levels, recognizes that the people are being driven into the arms of the NPA while denying that the NPA itself is Communist. "Because the people in the hills are against the present administration, it doesn't mean they are Communists," says Manila's outspoken prelate, Cardinal Jaime Sin.

Father Conrad Balweg, a Catholic priest who has joined the NPA, is regarded as something of a folk hero. "The Philippines have developed Marxist-Leninism Philippine style," Wilson Gamboa, the Opposition's only successful candidate in the May 14 elections in Negros Occidental, told me. "We've seen the birth of liberation theology here. A mixture of Christianity and Marxism has developed out of the church as a means of protection against oppression. It is an attractive mix — the way you mix brandy and coffee, a brew both aromatic and alluring, although we still don't know the kick." Mr Gamboa is an interesting and potentially important man, since by sheer hard work and outstanding intelligence he has climbed out of the poverty of the workers' lines on a sugar plantation to win his way into the Assembly.

In Negros Occidental, the primary aim of the insurgents is to *agaw* (grab) *armas* (arms). The tactic is highly successful. Here, as elsewhere in the Philippines, armed forces do not hunt the insurgents in their lairs. Yet on the open roads and tracks they are easy prey. "There are now ambushes everywhere,"

said a planter. "A year ago only a few areas were affected. Now no area is safe." The insurgents are highly selective. Civilians are safe provided they obey the rules, but the Police Constabulary and Army are fair game everywhere, as are corrupt or tyrannical officials.

The degree of the tyranny, at least in many places not too strong a word, is reflected in scores of incidents involving innocent people. One, which has been well publicized recently, was the massacre of nine young men on election day, an event that caused Bacolod Bishop Antonio Fortich to lead religious and concerned citizens to dispute the claim that the men were members of the NPA. They cited interviews with local residents indicating that the men, who were all unarmed, had been picked up after voting ended, bound together and paraded down the streets of Barrio Inayawan in Cauayan town in Negros Occidental before being executed.

The Bishop urged the people of Inayawan to unite to protest what he described as the "wholesale slaughter". "Don't ever be afraid," he said. "If you remain silent you are slaves. Let us protest, so that truth and justice will triumph in the end." Since another four men disappeared in the same town on the same day, the indications that the death toll in this one incident may have been as high as 13.

The social action section of the Catholic Church in Bacolod has documented with great care many other incidents of a similar nature. The Civil Home Defence Force appears to be the worst offender. Its activities have led to the coining of the verb to salvage. A man who is 'salvaged' is not in any sense recovered. He is tortured, summarily executed and disposed of, usually in a shallow grave.

Ill-trained paramilitary forces

The Philippines Constabulary and the Civil Home Defence Force are ill-trained, and badly disciplined. Frustrated by the lack of civil co-operation, they help to drive the local population into the arms of the insurgents.

Not that many locals need much driving. For years many of the two million inhabitants of Negros Occidental were exploited by the sugar planters whose feudal estates, while singularly inefficient, nevertheless made immense profit. Today the planters for a range of reasons are bankrupt. This time it is their poverty that has been passed on. Instead of around \$1.50 a day, the legal minimum rate, most planters pay slightly more than a dollar a day for seasonal work, which can be as little as six months a year.

"I now pay only in rice," said one plantation owner, who is desperately trying to sell his farms. "I have no money."

The workers cannot live and raise their families on the wages which, if they are lucky, they now receive. "If the NPA had the guns,

they could get tens of thousands of recruits," said the planter.

A live-and-let-live situation currently exists that goes beyond anything I knew in the past in Malaya or Vietnam. There were planters and others who paid 'protection' in Malaya during the emergency, but they kept quiet about it. In Vietnam, the same sort of thing happened. But in the Philippines I was told by the managing director of a large corporation that his organization provided the insurgents with food and medicine and even knowingly employed its members. One planter spoke quite openly of his contact with the local NPA commander, a former engineering student.

A couple of days before the election last May, I drove from Bacolod to the small town of Victorias to meet one of the four columns of boycott marchers who were converging on the provincial capital. I found the marchers in, of all places, the cemetery, where with red flags flying and fists clenched they joined in the burial service of a 28-year-old contract laborer named Bobby Nunez.

Nunez, who had been found with a cracked skull, dislocated jawbone and shoulder and marks indicating that he had been tortured before he was killed, was dumped near the City Hall with a grenade in his hand, presumably as a warning to other citizens of Victorias.

Whether Nunez was an NPA sympathizer, as the police claimed, or an innocent victim, as the townspeople and marchers insisted, no one is ever likely to know, but, in reprisal, the mayor of Victorias is said to have received a barong tagalog with a black ribbon — the NPA's death warrant.

Indiscriminate killings, savage reprisals

So the struggle goes on, often indiscriminate killing by the Constabulary, savage reprisals by the New People's Army. Many police have become afraid to leave the towns, and the NPA dispenses its own justice in the rural areas.

There are some ominous comparisons in the Philippines today with El Salvador, where rural poverty, social injustices, glaring inequalities of wealth and rightwing 'death squads' have so played into the hands of the insurgents that one must doubt whether newly-elected President Jose Napoleon Duarte, moderate though he is, will be able to cope, even with substantial American aid and American advisers. In El Salvador, as in the Philippines, the Catholic Church, or at least important segments of it, sympathize with the insurgents. There are, however, several fundamental differences. Whatever they may have been before Aquino's assassination, the Filipino people are no longer afraid to speak out. I was astonished to find people in the Philippines willing, and even eager, to disclose the most sensitive, and even incriminating, information. At least when I was there last September, the El Salvadorans were

acutely conscious that indiscretion could lead to death.

A second, and perhaps more fundamental, difference is that the insurgents in El Salvador are plentifully supplied with weapons which come in by helicopter, or light plane, or by boat, or overland through Honduras. In the Philippines, there is no evidence of any outside assistance for the NPA. The difference again is that in El Salvador the insurgents have moved into an offensive stage of the revolution: in the Philippines, the NPA is still in the preparatory stage, building up its recruits, staging ambushes to collect guns. Sometimes up to 90 people will take part in an ambush, most of them unarmed. They participate in order to pick up weapons and to learn war through war, as Chairman Mao used to say.

Because there have been no outside shipments of arms, there is no reason to conclude that they will not be available when they are needed. One of Ninoy Aquino's nagging fears was that shiploads of weapons would arrive for the NPA. This is more than a nagging fear for some senior and highly concerned people in Manila.

"I shudder to think that what will happen if a couple of submarines unload weapons here in Luzon, or in the south," said an official who asked not to be named. "We could be in terrible trouble."

Intelligence is poor. There is little real surveillance. Of its three helicopters, one Army unit recently had none that was in service: all were grounded for maintenance, or the lack of maintenance. Short of trucks, the armed forces commandeer when they need them and sometimes forget, or are unable, to return them to their owners.

Election shocks may help

It may be that the shocks of the election results will persuade President Marcos to alter some of his policies, and that the loyal Opposition will appreciate that for all the ballot rigging, which has often been characteristic of elections in the Philippines, the democratic processes could bring a change in administration in 1987. The Opposition was more than heartened by its showing in Manila, and with organization — and enough courageous independently minded people to stand watch over rural polling areas — it could conceivably rally enough support to beat President Marcos, if only a credible candidate can be found.

At the same time, the economy is in wretched shape. Its growth of 2 per cent last year did not keep pace with the growth in population. This year it is expected to decline by minus 1.5 per cent. Rural poverty and malnutrition, rising unemployment, rampant inflation (40 per cent and rising fast), rock-bottom prices on world commodity markets and the scandalous misapplication of national funds, are all factors that the NPA can, and does, exploit.

Between October last year and the end of March this year, the government wrote cheques on the Reserve Bank totalling four billion pesos. There were no overdrafts on the bank when the splashing began. What the total is now is unavailable, but another billion pesos is the smallest informed estimate.

Some of the money went on legitimate construction in the public sector, but much of it went to the pork barrel and even to direct administration handouts. For example, on the eve of the election, Imelda Marcos offered rewards of 50,000 pesos and other *barangays* in Cebu and 100,000 pesos for each town that returned straight government candidates on polling day. There was a sad procession of mayors offering their resignations after the election because they had failed to deliver — but not in Cebu.

The Philippines' foreign debts totalled \$US26 billion at the end of 1983, or about half of the country's gross national product. This may be small potatoes compared with Brazil's \$86.3 billion, Mexico's \$84.6 billion and even Argentina's \$38.8 billion, but the economy rests on a much smaller base. The private sector shrank and the public sector grew as the administration spent more and more to produce less and less.

An IMF team left Manila about the middle of May with the making of an austere belt-tightening agreement with President Marcos. If all goes well \$650 million from the IMF and a bridging loan of \$140 million from the US Treasury, together with the rescheduling of the current loans and the promise of new loans may begin to become available by about the middle of July. The 12 major private banks and 400-odd others did not respond cheerfully to the news that they were not about to get their money back, and must be doubtful about putting in more following the US financial crisis which erupted towards the end of May, although there really is no choice. Whatever happens, the Philippines are in for extremely difficult economic times, since the IMF's cure may well seem at first to be even worse than the complaint.

Future of bases in doubt

And that brings us to Clark Field and Subic Bay, the American-operated bases, whose strategic importance not only for the Western Pacific but also for the Indian Ocean has increased in recent times because of the deteriorating situation in the Persian Gulf, and the further development of military facilities by the Soviet Union at Cam Ranh Bay in Vietnam.

US research has concluded that there is no single alternative to the combination of Clark and Subic. The lines of C-5 and C-141 transport aircraft on the tarmac at Clark, staging their way through to Diego Garcia in the Indian Ocean, is just one remainder of the air base's significance.

Subic is listed as the main support base in times of crisis for additional carrier task forces deployed to the Western Pacific and Indian Ocean. It has the biggest storage capacity for petroleum, spare parts and ammunition outside the United States. Clark also has major storage facilities — 25 million gallons of petroleum and 200,000 square feet of ammunition storage space.

Whether the bases have a long-term future depends much on how the political, economic and insurgency scene unfolds. The Americans have become conscious of the relationship between internal developments and the bases, and, according to Dr Larry A. Niksch, of the Congressional Research Service in Washington, "doubts have grown about the longevity of the US military presence, and this includes doubts in the US Government".

Having burnt its fingers so badly in Vietnam, the United States is unlikely to attempt to cope with another insurgency in the region, however vital it may appear to its strategic interests. But unless there is drastic change on many fronts on the part of the Marcos administration, it is difficult to be optimistic about the situation that may develop towards the close of the 1980s.■

AFP Weaknesses Analyzed

Kunyang, Australia PACIFIC DEFENSE REPORTER in English Jul 84 pp 10, 11

[Article by Michael Richardson]

[Text]

How well equipped and trained are the armed forces of the Philippines to handle the Communist problem? Counter-insurgency is a more difficult battle to wage than conventional warfare, requiring a combination of courage, discipline, first-rate intelligence gathering, political judgment and use of constructive civic action and other 'hearts and minds' techniques, as well as selective armed

forces, to win over and maintain the policy of local populations subjected to Communist influence.

In terms of armed strength, the AFP maintains a ratio of well over 10 servicemen for every guerilla. According to the 1983-84 *Military Balance*, the Philippines Army (60,000), Navy (28,000) and Air Force (16,800) have a total complement of 104,800. However, it is

often the Philippine Constabulary (PC) — the fourth arm of the AFP — and the Civil Home Defence Force (CHDF) — a village militia — that have to face the New People's Army in the countryside, with the Army or Marines (9600) being deployed in areas of intense NPA military activity such as Negros Occidental in the central Philippines and the provinces around Davao in the south-eastern sector of Mindanao Island in the southern Philippines. The PC has 43,500 men organized into one brigade, 13 battalions and 180 provincial companies. The CHDF has 65,000 members, all of them supposed to be paid volunteers who have been given basic military training.

The May 14 elections showed that most Filipinos still prefer the ballot to the bullet as a means for trying to solve their pressing social, economic and political problems. But while a stronger legal opposition in the National Assembly offered hope for a revival of democracy and a reduction of President Marcos' sweeping powers to legislate by decree, the grip of the Philippines' financial and economic crisis is tightening inexorably in a way which seems certain to increase social and political ferment to the benefit of the one organized movement that promises radical reform of society — the CPP.

NPA could expand quickly

One thing which worries many observers of the Philippine scene is that by a process of geometric progression, the NPA could expand very quickly over the next few years from its current base. A military attache says that the potential exists in the Philippines for the Communists to accelerate their activities "if the Government doesn't start doing a better job. I am concerned. The trend is not one that inspires a great deal of confidence. But neither is it cause for desperation or panic. There is still time to save the situation. The message the NPA carries is something that could be countered fairly easily if the Government really applied itself to the problem".

In 1972, when President Marcos invoked emergency clauses in the 1935 Constitution (since replaced by the 1973 Constitution) to impose martial law, the AFP were far too small to maintain internal and external security and undertake new administrative, judicial and other responsibilities that devolved on them as the enforcers of Presidential decrees and instructions. The Army had only 16,000 men, the Navy 6000, the Air Force 9000 and the PC 23,000. Total 54,000. The CHDF had a few thousand members.

Army has almost quadrupled

Since then, the Army has nearly quadrupled in size, the PC has nearly doubled and the four services of the AFP as a whole nearly trebled. The defence budget has risen from

\$US92 million in 1972-73 to \$US878 million in 1982. This rapid expansion from a low base has contributed to serious organizational, recruitment and morale problems.

Although it has surpassed education as the biggest single consumer of government funds, the budget share of defence and security has been dropping in recent years as the Philippines economic difficulties have intensified. The AFP's share of the budget reached a peak of 15.2 per cent in 1980, declining since then to a level of about 10.9 per cent this year.

Despite the big increases in recent years, the Philippines spends less on defence and security than most of its longstanding partners in the Association of South-East Asian Nations (ASEAN) — Indonesia (\$US2.9 billion in 1982-83: size of armed forces 281,000), Malaysia (\$US2 billion in 1982: armed forces 100,000), Singapore (\$US852 million: armed forces 55,500), and Thailand (\$US1.56 billion: armed forces 235,000), which has a similar sized population, smaller insurgency but bigger external defence concerns to the Philippines. In his speech to the Air Force on May 2, Mr Marcos noted that at the end of 1983, the AFP had filled up only 90 per cent of its authorized troop ceiling. "Despite charges to the contrary, we have kept military expenditure within our means and our needs."

The President said, based on 1981 figures, Indonesia's defence expenditure amounted to 3.3 per cent of its gross national product (GNP), Thailand's 3.5 per cent, Singapore's 5.7 per cent, Malaysia's 8.3 per cent and the Philippines 2.2 per cent. "We not only had the lowest figure among ASEAN countries, we had the lowest percentage of military expenditure *via a vis* GNP in the whole of East Asia, with the sole exception of Japan."

Nonetheless, eight-and-a-half years of martial law has given the AFP an unprecedented influence and prominence in the Philippines and closely identified them with the Marcos Government.

Since 1972, military units have been widely scattered throughout the country and given the opportunity, if not always the authority, to intrude into many areas of society that were off-limits in a pre martial law system of government in which checks and balances and civilian supremacy confined security force activity.

A university staff member in the Philippines, who has made a close study of changes in the AFP and their role since martial law, says "in many ways, officers have replaced traditional politicians as dispensers of political patronage. Feeling the change in the distribution of political power, many petitioners transferred their locus of operations from the traditional politicians to the officer corps.

"Problems ranging from getting the release of an imprisoned relative from military custody to obtaining employment were now brought to the attention of officers. This tended to continue even after the suspension of martial law in 1981."

World Bank study

A confidential study prepared for the World Bank in 1980, the year before martial law was lifted, found that "military commanders have, for the first time in modern Philippines history, become an integral part of the power structure, particularly in provincial administration, and through their influence (both personal and official) in judicial and administrative matters. The unprecedented role of the military in the economy under martial law is moving the policymaking and business environment in the Philippines closer to that prevailing in Indonesia and Thailand."

The AFP, says one foreign specialist, are "a creature of Filipino culture. The value structure is very different from that in the West. Personal relationships, obligations and loyalty are often more important than duty performance and integrity. Often it is not professionalism and merit that activates the system. It's satisfying someone more senior up the line; working out a new scheme to make and share profits or how to draw up a report to make the boss look good".

Apart from presiding over a big expansion of the AFP in the last 12 years, Mr Marcos — who, as President, is also Commander-in-Chief — has centralized military power. In 1975, control of municipal and city police and fire-fighting units was transferred to the PC Chief, Lieut-General Fidel Ramos, a relative of the President and — like him and many other members of the officer corps — an Ilocano. He is now Director-General of the Integrated National Police, with the PC as part of the new organization.

Salvaging — or termination and disposal?

About three years ago Mr Marcos took an important decision. He appointed General Fabian Ver — a long-time close aide and head of both the Presidential Security Command (PSC) and the National Intelligence Security Authority (NISA) — as the AFP Chief of Staff with General Ramos as Vice-Chief of Staff. General Ver is described by several people who have met him as a tough, cunning but not particularly intelligent anti-Communist. He was quoted in a rare interview published in a Philippines magazine in January 1982 as replying, when asked whether security forces 'salvaged', ie executed without trial often after torture, certain criminal or dissident elements: "What salvaging? I don't know what it means. In the NISA we use another term — TND — termination and disposal."

General Ver, who joined the AFP as a University of the Philippines Reserve Officer Training Corps (ROTC) cadet during World War II, is not on close terms with General Ramos, a West Point graduate from the US. Foreign analysts believe General Ver has further politicized and personalized the AFP

command structure, while General Ramos stands for a more professional approach to running the forces.

In April 1983, on General Ver's advice, President Marcos announced a restructuring of the AFP. It was supposedly designed to help counter a deteriorating insurgency situation and to "ensure unity in command, strategic direction and tactical control" of all military units.

The reorganization created a number of new Regional Unified Commands covering areas of most intense Communist activity and abolished PC regional commands in those areas making the PC subordinate to the new structures which were headed by non-PC officers. The effect, at least initially, was to create confusion and an even more cumbersome system. But it consolidated General Ver's hold on the military structure.

One military observer commented: "He's gathering all the reins into his own hands". An Asian diplomat went further: "General Ver has control of the Army, Navy, Air Force and Intelligence. His only missing link is the PC-INP which is under General Ramos. With the President's approval, Ver controls the command structure, movement of troops and promotions. Many senior commanders are now his proteges and indebted to him".

Some AFP weaknesses

There are several other major weaknesses in the AFP which foreign military experts say inhibit its effectiveness as a counter-insurgency force. One is the low rates of pay both for officers and men, and the low morale, graft and abuses of power that stem from this. One source said that with certain outstanding exceptions "almost all military units, especially those of the PC and the Army, are disliked and despised throughout the country. There is a lot of corruption from top to bottom. Rates of pay are disgustingly low. So AFP members have to supplement their income. A lot of generals, colonels and other officers are running businesses on the side. A lot act as agents in defence sales.

"In the field, more often than not, military units are a disrupting rather than stabilizing influence. The men find they are short of money and food which is delayed or siphoned off higher up the line. So they live off the land. They start stealing or just taking what they want. After all, they have the guns. But these abuses cause problems with the local people who often turn to the NPA for protection and justice."

Military attaches say the AFP have ordered equipment in relatively small batches on a seemingly *ad hoc* basis. One said: "There is no systematic procurement program. They are short of almost everything. They have a few good bits of equipment, but not enough. Most of the rest is aging and poorly maintained. As soon as a military man acquires technical expertise, he's bought up by the private sector".

Another attache says even if the military does its counter-insurgency and civic action job effectively, Government agencies seldom do the follow-up work that is necessary. "There are some good military units with a lot of fine officers and soldiers in the field doing a difficult and dangerous job. The real tragedy is that a lot of fine young people are up in the hills (with the NPA) fighting them because of the failure of the central Government to do its job."■

CSO: 4200/61

NPC TO BEAR FOREIGN EXCHANGE RISKS ON LOANS

Manila BULLETIN TODAY in English 27 Sep 84 p 17

[Text]

The state-owned National Power Corp. (NPC) is shouldering a forward cover risk on some \$60 million of its debt services since October last year when the country declared her first moratorium on payments of external debts.

Federico Puno, NPC senior vice president for finance, said the power firm retained the peso equivalent of these debt payments following the reluctance of the Central Bank to accept such payments in view of the magnitude of the forward cover to be provided.

It was actually NPC which requested the CB to retain the

peso payments on these services to bridge and finance the power firm's yawning cash flow deficit as a result of a shortfall of foreign loan financing.

NPC, according to Puno, needed pesos that would otherwise pay for foreign debt services that are covered by the present moratorium and the subsequent restructuring of foreign loan obligations.

The power firm had to contend with a cash flow deficit of P2.6 billion at the onset of 1984. Faced with this problem, NPC had to ask monetary authorities to retain its peso payments to the CB to finance a number of ongoing power expansion projects which

are in the advanced stage of construction.

Bridging the cash flow deficit through the retention of the peso payments was one of the three alternatives earlier laid out by NPC in meeting its cash flow deficit.

The first option calls for stopping all ongoing projects while the second necessitates a 30 percent increase in power rate which would have been made effective last June 26.

Thus, with forward cover to be provided on some \$60 million, NPC's financial position is expected to be strained further once the peso floats anew with the resumption of foreign exchange trading.

CSO: 4200/61

BANKERS ASSOCIATION SLATES TWICE WEEKLY DOLLAR TRADING

Manila BULLETIN TODAY in English 27 Sep 84 p 17

[Text]

The Bankers Association of the Philippines (BAP) has decided to hold regular trading in dollars among the member-banks at the BAP's foreign exchange bourse.

Foreign exchange trading will be conducted every Tuesday and Thursday afternoons at four o'clock.

The decision, according to bankers, was taken to activate the float of the peso to let it seek its own value in the foreign exchange market.

The bankers said that the idea was to allow a gradual depreciation of the peso against the US dollar through the interplay of market forces of supply and demand.

They said that the trading last Tuesday where the government-owned Philippine National Bank

sold \$1.4 million to Citibank was the result of this decision by the BAP board to resume the float of the peso.

That transaction, which was settled at P18 to \$1 was the first done on the forex bourse since the re-floating of the peso was mandated on June 6, which changed the guiding rate from P14 to \$1 to P18 to \$1.

The rate of exchange during the day becomes the guiding rate the following day or days or until a new exchange rate is fixed.

Sources in the banking community said that the activated peso-dollar trading at the foreign exchange market would make the gradual depreciation of the peso possible,

avoiding abrupt fluctuations as were experienced in the last three previous *de facto* devaluations.

Under existing rules, the Central Bank allows a maximum of a 4.5 percent fluctuation band either up or down from the previous day's guiding rate.

Foreign exchange trading within the ambit of the BAP, however, would not reflect the true international value of the peso since commercial banks are allowed to hold only 20 percent of their total foreign exchange receipts, many bankers said.

If at all, they added, the guiding rate established at the BAP foreign exchange bourse would reflect only the supply-demand situation among the banks for

20 percent of their foreign exchange holdings.

The bulk of the foreign exchange supply is held by the CB which requires all commercial banks to sell for pesos 80 percent of their total foreign exchange receipts.

Priority import payments and foreign exchange allocation to pay for maturing interest payments on foreign debt are being allocated by the CB from the pool of funds sold by the banking system to the CB.

The banks are allowed to sell dollars from the 20 percent retention scheme to their clients to pay for imports of raw materials for industries based on a set of priorities predetermined by the CB.

TULFO ON DOLLAR EXODUS, RETIRED PC GENERALS IN INP

Manila BULLETIN TODAY in English 28 Sep 84 p 8

[Article by Ramon Tulfo: "Dollar 'Moro-Moro'"]

[Text]

The government might as well disband Task Force Luntian or whatever it is called now. The task force which was formed to go after dollar blackmarketing is useless in the light of what we have learned.

An unimpeachable source in the intelligence community says between US\$400,000 and \$3 million is being smuggled out of the country every day through the Manila International Airport (MIA). How these dollars, which come from the blackmarket, pass through a tight security cordon at the MIA is anybody's guess.

Our source claims the dollars are salted away in Hong Kong until they accumulate into a big amount. Then the amount is channeled back to the Philippines in the form of "returning investments." In short, what was once illegal money has become legal.

The "balikbayan" dollars are made to appear to the outside world as capital inflows from abroad. This economic "moro-moro" is for the benefit of the International Monetary Fund (IMF) and prospective foreign investors, our source claims.

Why can't we be honest with ourselves and to countries or international banking institutions that can help us? The more we tell them lies, the more they will distrust us and hold those loans or capital we need so badly.

It seems Maj. Arturo Añas, commander of the Manila police's Station No. 4 in Sampaloc, is not doing well in disciplining his men and should be relieved. There have been several instances when his men figured in troubles which are a reflection of the

major's leadership.

The latest breach of discipline involved a near shootout recently between Capt. Roberto Sangalang and Sgt. Angel Esmeria inside the police precinct.

Sangalang, chief of the station's investigation unit, had inquired from Esmeria, his subordinate, on the status of a dollar theft case which was filed with the station.

The complainant in the case had approached Sangalang and complained that Esmeria had not filed a criminal case against the suspects in court.

Confronted, Esmeria allegedly challenged Sangalang to a gun duel. Esmeria, sources say, is Añas' fair-haired boy.

* * *

What's the best way to keep a PC general in the service long after his retirement?

Answer: Recruit him in the Integrated National Police (INP) after he is retired from the PC.

This practice has demoralized top-ranking officers in the INP. Police colonels are adversely affected by this practice; they have slim chances of becoming brigadier generals because the slots are occupied by outsiders.

Among the retired PC officers who have found their way into the INP are Brig. Gen. Hermilo Ahorro, Brig. Gen. Rene Cruz and Col. Santiago Tomelden. They hold the same ranks in the INP which they had while they were with the PC.

Demoralized cops will tell on the peace and order condition.

VER ON PROMOTION OF 'SEVERAL COLONELS' PENDING RETIREMENTS

Manila BULLETIN TODAY in English 30 Sep 84 pp 1, 11

[Text] Several colonels in the Armed Forces are expected to be promoted shortly to general with the retirement of some "over-staying generals" in the military establishment.

Gen. Fabian C. Ver, Armed Forces chief of staff, confirmed the "Oct. 1 movement" in an interview with the Bulletin last Friday during the induction of the new officers of the Defense Press Corps, an association of media representatives covering the defense ministry and Armed Forces.

Ver said at least one third of the 33 "overstaying generals" will have to be finally retired.

The other two thirds will be given shorter extensions on "selective basis" so as not to jeopardize the efficiency of the Armed Forces.

Ver intimated that the thinking in the military leadership is to retain retireable generals who are commanders of regional unified commands (RUC).

Ver further said that more colonels would be promoted to fill up some 22 vacancies long unfilled.

CSO: 4200/61

TOLENTINO ANNOUNCES LIMITATIONS ON SEA LANES

Manila BULLETIN TODAY in English 30 Sep 84 pp 1, 11

[Article by Olaf Giron]

[Text] The Philippines will not allow foreign ships to use sea lanes that cut through the country.

Foreign Affairs Minister Arturo M. Tolentino said the government will limit international shipping's right of innocent passage to the northern and southern extremities of the archipelago.

The Cabinet Committee on the Law of the Sea has initially pinpointed the seas around Babuyan Channel in Northern Luzon and the waters south of Moro Gulf in Mindanao.

At present, the Philippine Navy allows certain foreign vessels in use of San Bernardino strait (between Sorsogon and Samar) and Surigao strait on their way from the Pacific Ocean to the Molucca strait or to the South China Sea, or vice versa.

The Philippine delegation to the United Nations, however, sees in this a danger to the country's security.

It believes international problems and complications could be avoided if only the seas in the coastal extremities of the country were designated international sea lanes.

Under the UN Convention of the Law of the Sea now awaiting ratification by signatory countries, archipelagic states may determine these sea lanes where foreign ships should be allowed innocent passage without need to stop them for inspection.

A coastal state has exclusive rights to the natural resources of its territorial waters, including fisheries and minerals. Foreign ships, however, have the right of innocent passage. In the case of warships, vessels carrying radioactive or dangerous materials and oil tankers, this right has become controversial.

Whereas the Western powers contend that the right applies to warships, communist countries and some other nations such as the Philippines and Indonesia reject this.

The Convention of the Law of the Sea is the first to recognize the archipelagic doctrine advanced by the Philippines, Indonesia, Fiji, and Mauritius.

Under this doctrine, all seas within the archipelago are part of the territory of the Philippines. The old doctrine recognized only the principle of island groups whereby each island had its own three-mile limit. This made the sea between Palawan and Sulu an international waterway, posing a problem to national security.

The new convention enlarges the Philippine territorial waters from the three-mile limit to 12 miles.

It also grants the country a 200-mile economic zone with exclusive rights to explore and exploit the resources of the deep seabed.

Tolentino, in his policy statement before the 39th UN General Assembly last Sept. 27, urged signatories to the law of the sea convention to ratify it so the agreement may come into force soon.

CSO: 4200/61

PASAR, PHILPHOS TO SUE BENGUET OVER MERCURY ISSUE

Manila BULLETIN TODAY in English 30 Sep 84 p 19

[Text]

Philippine Associated Smelting and Refining Corp. (PASAR) and the Philippine Phosphatic Fertilizer Corp. (Philphos) are suing Benguet Corp. for damages arising from Benguet's press campaign of alleged mercury poisoning which PASAR and Philphos described as "totally baseless, misleading and irresponsible."

Alfredo San Miguel, PASAR executive vice president, and Miguel Zosa, Philphos president, disclosed yesterday that they have consulted with their lawyers and have been advised that sufficient grounds exist for a damage suit against Benguet.

The unrelenting scare campaign carried on by Benguet in the newspapers has caused undue damage to the reputation

of PASAR and Philphos which amounts to many million of pesos, the two companies claimed.

San Miguel and Zosa said Benguet had issued press statements, duly reported in the newspapers that pictured PASAR and Philphos as irresponsible companies unconcerned about public safety. Despite warnings from PASAR and Philphos, Benguet has persisted the press campaign with allegations that are totally unsupported by facts, they added.

Benguet claimed that the mercury in its Dizon copper concentrate will contaminate the sulfuric acid produced by PASAR when the concentrates are processed by the country's copper smelter.

In turn, Benguet said the fertilizer produced by Philphos us-

ing the PASAR sulfuric acid will lead to mercury poisoning when the fertilizer is used in crop production.

San Miguel and Zosa stressed that PASAR and Philphos value public safety above profits and will not do anything to jeopardize the health of the people.

"It is for this reason that PASAR insists in testing the copper concentrates of Benguet to determine if the copper smelter can handle them without endangering public safety," San Miguel said.

San Miguel continued that PASAR will reject Benguet's supply of copper concentrate if the tests show that copper smelter can not handle the mercury content of the Dizon copper concentrate.

THAILAND

EDITORIAL: LAOS SHOWS BAD FAITH ON BORDER ISSUE

Bangkok SIAM RAT in Thai 23 Aug 84 p 3

[Editorial: "The Negotiations Between Thailand and Laos"]

[Text] As of now--and it has already been a long time--we still don't know what the results of the negotiations between Thailand and Laos on the matter involving three Thai villages in Uttaradit Province will be.

This is because the representatives of both sides, that is, Thailand and Laos, have not been able to reach an agreement and so the negotiations continue. But they are continuing in such a way that the results will be bad rather than good.

These negotiations are negotiations between friends since Thailand and Laos have always been likened to brothers. And the real purpose and meaning of the negotiations is to reach a just and fair agreement on the location of the border. Because Laos supposedly misunderstood things, it violated Thailand's sovereignty. And so Thailand has proposed holding peaceful negotiations instead of creating more problems in a high-handed manner like Laos using armed force and soldiers.

Thailand wants to hold negotiations based on truth and justice. It's goal is to generate peace and friendship.

But the representatives of the Lao government have refused to accept the truth based on the evidence, even though it is objective and factual. Furthermore, the Lao government has occasionally played a provocative role in both word and deed as if the negotiations were a challenge that could lead to an outbreak of hostilities during or after the negotiations.

We have had friendly relations with Laos for 100 years. We never thought that Laos would be foolhardy or use tricks in order to create a dispute like this. We knew that that was not the nature of the Lao people. As for the fact that the Lao representatives have revealed such an image, we do not feel that Laos is sincere about wanting to

negotiate. What this means is that there is a country with power over Laos and the Lao government that is forcing the Lao representatives to act this way.

We have said that Thailand wants peace and happiness for both Thailand and Laos. Thailand does not believe that a minor incident along the border should lead to a dispute involving the use of weapons. Because using forces to fight each other would be easier than negotiating.

With great sympathy for the Lao people, who have no knowledge of what the Lao representatives are doing, we would like to ask the representatives of the Lao government to change their attitude. Because taking a provocative attitude in order to generate conflict is certainly not what the Lao people want. And in the face of such provocations, Thailand may not be able to show patience too much longer if Laos continues to employ such sham power.

With confidence in Thailand's position, we ask that the [two sides] continue to negotiate as friends rather than as enemies. That is the only way that we will be able to preserve peace in the world.

We consider this appeal of ours to be a warning. But this warning is made with good intentions.

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CSO: 4207/214

THAILAND

REPORT ANALYZES VOTER DECISION-MAKING PROCESS

Bangkok LAK THAI in Thai 30 Aug 84 pp 17, 18

[Article: "Analysis of Election Results: Thais Vote for the Person"]

[Text] Concerning the opposition to revising the constitution, which flared up following an interview with M.R.W. Khukrit Pramot, the leader of the Social Action Party, several factions have said that their political party received votes because the people believed in the party's position of resolutely opposing revising the constitution. They claim that this is the conclusion that can be drawn from the results of the general election held on 18 April 1983, in which the large political parties received many votes. However, in a "Technical Document Analyzing the Results of the 18 April 1983 Election to Determine Whether Most voters Voted for a Party or for Individuals," Dr Niyom Purakham, the deputy secretary-general of the National Statistical Office, claims that most people still vote for the individual rather than the party. Important candidates in many parties were elected because the people liked the candidates personally rather than the party to which they belonged.

This document states that the election results in 134 zones show that the people in 67 zones, or 50 percent of the zones, voted for individuals, and people in 51 zones, or 38 percent of the zones, voted for parties. As for the other 16 zones, or 12 percent of the zones, it was not possible to determine whether the people had voted for the individual or the party.

Theory of Chance

This document clearly states that "in past elections, the four-five largest political parties receiving the greatest number of votes fielded more candidates than did the smaller parties or independent candidates in terms of both numbers and zones. For example, the Social Action Party fielded 255 candidates, the Democrat Party fielded 194 candidates, the Thai Nation Party fielded 192 candidates and the Prachakon Thai Party fielded 185 candidates.

The theory of chance, or probability theory, is basic statistical theory. The members of these large parties have a better chance of being elected than do candidates from small parties or independent candidates regardless of what criteria the people use to vote for people. Even if a random selection technique is used, that is, having the people vote without specifying two or three numbers, the chance of selecting the number of a candidate from a large party that fields many candidates is greater than that of selecting the number of a candidate from a small party.

This can be compared to an international sports event such as the Olympic Games or the Asian Games. The three or four largest countries always win most of the medals since these countries send larger numbers of athletes and field athletes in more events. Besides this, the fact that the large political parties win the most seats is not a new phenomenon. This has happened many times in the past. It happened in the elections in 1979, 1976, 1975 and 1969.

Criteria for Making the Analysis

In analyzing election results to determine whether people voted for the party or the individual, the report set the following criteria: To be classified as voting for the party, in zones in which two MPs are elected, both must come from the same party. In zones in which three MPs are elected, all three must come from the same party, and the number of votes received by the top vote-getter must not exceed the number of votes received by the number-three person by more than 20 percent. Or in such a zone, two MPs must come from the same party and both of them must receive more votes than the third person from another party.

To be classified as voting for the individual, in zones in which two MPs are elected, the two must come from different parties. In zones in which three people are elected, all three must come from different parties with the difference in the percentage of votes received by the top and bottom vote-getters being less than 20 percent. Or, two of the people elected may come from the same party but the number of votes received by at least one of these two people is less than that received by the person from the other party. Those places that cannot be classified include provinces or zones where only one MP is elected or where there are special characteristics different from the first two above.

Take Krabi Province, for example, Two MPs were elected. One was from the Social Action Party and the other was from the Democrat Party. Another example is provided by Zone 1 in Kalasin Province. Three MPs were elected. One belonged to the Social Action Party, another belonged to the Democrat Party, and the third belonged to the Democratic Nation Party. This must be viewed as voting for individuals. In Zone 5 in Bangkok, two people from the Prachakon Thai Party were elected. However,

a candidate from the Democrat Party received more votes and so this, too, must be viewed as voting for individuals even though the larger political parties received more votes than did the smaller parties or independent candidates.

Data collected by the National Statistical Office to assess the interest and views of the people concerning elections and their intention to vote in the 1983 election show that 63 percent of those eligible to vote gave much attention to the background and actions of the candidates; 42 percent considered the knowledge and ideals of the candidates. Only 19 percent considered the political party to which the candidates belonged. Fifteen percent were persuaded to vote a certain way by their kamnan, village headman, neighbors or relatives in and outside the municipal zone.

It can be seen that members of the larger parties have a greater chance of being elected than do members of smaller parties without the people having any intention of voting for a particular party. There is a saying that the "parties choose people, the people choose parties." However, the data should be carefully restudied prior to the next election, which will be a separate-zone, joint-number election.

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CSO: 4207/214-A

THAILAND

REACTION CONTINUES OVER ARRESTS OF DISSIDENTS

Police Limit Access By Visitors

Bangkok MATUPHUM in Thai 16 Aug 84 pp 1, 16

[Article: "Kasem Orders Change In Regulation on Visits to Communist Suspects"]

[Text] A reporter reported from the Police Department that on the afternoon of 15 August, Police Major General Kasem Saengmit, the commander of the Special Branch Division, issued a new order concerning allowing people to visit the communist suspects being held at the Metropolitan Police Academy in Bang Khen. He said that the purpose is to make things more convenient for those who want to visit the suspects and to maintain order at the government facility. The order stipulates:

1. Groups of people visiting the suspects must not exceed 10 people.
 2. The police will provide vehicles to take the visitors to and from the front of the Metropolitan Police Academy to the detention center.
 3. Visiting hours are between the hours of 0900 and 1600 hours daily.
 4. Officials will check the items brought in, including the identification cards of the visitors, for the safety of both the suspects and government officials.
 5. A visitation area will be provided, and police officials will be close at hand to facilitate things.
 6. Each visitor may stay only 20 minutes so that the suspects have sufficient time to rest.
- Police General Narong Mahanon, the director-general of the Police Department, was interviewed by reporters that afternoon about the funds for feeding the suspects being exhausted. He said that he had already talked with Police Major General Kasem and that the matter had been straightened out. There shouldn't be any problem. As for Mr Thongbai Thongpao, a human-rights lawyer, not being allowed to visit the suspects, he said that he doesn't know the details about this. But lawyers have the right to visit the suspects. "I will inquire about this."

Also, students from six institutions have said that they intend to go visit Dr Pricha Piemphongsan at the Metropolitan Police Academy on 16 August.

International Christian Bodies Protest

Bangkok MATICHON in Thai 19 Aug 84 pp 1, 16

[Article: "World Council of Churches Has Sent a Letter Asking That S. Siwarak Be Released"]

[Text] International opposition to the arrest of S. Siwarak is spreading. The World Council of Churches has sent a letter to Prem asking him to drop the charges in order to preserve the reputation of the country and the Thai government. Appeals have been made to have church councils throughout the world join in opposing this arrest.

Mr Sulak Siwarak, a well-known Thai thinker and writer was arrested on lese majesty charges. The owner of the Saeng Rung printing shop and an instructor at the Udorn Thani Teachers' College were arrested on the same charges. This has resulted in various organizations abroad appealing to the Thai government to release Mr Sulak, as MATICHON has already reported.

The news report stated that recently, a group of leading Catholic theologians in Asia held a meeting in Hong Kong and issued a statement condemning the arrest of Mr Sulak. These Catholics believe that Mr Sulak is a Buddhist who loves his country and who, in a broadminded way, is trying to find a way to reach a compromise with other religions. Besides that, (Cardinal Bayan), the (Archbishop of Missang) and an important figure in the Philippines, sent a letter to the Thai government about this, too.

As for Protestants, a report from Geneva states that Mr York Detlis, the acting secretary-general of the World Council of Churches, sent a letter to the prime minister, a copy of which was sent to the Ministry of Foreign Affairs. The letter stated that the council is deeply troubled by the arrest of Mr Sulak because Mr Sulak is a community leader who is widely respected both within and outside the country. Mr Sulak has participated in activities of the World Council of Churches as the representative of other religions that associate closely with Christian organizations. This letter also stated that at last year's general meeting of the World Council of Churches, which was held in Vancouver, Mr Sulak was one of the four Buddhists invited to attend the conference as an honored guest. For this reason, the World Council of Churches has asked the Thai government to drop the charges and release him, which would be good for the reputation of Thailand and the Thai government.

Furthermore, the World Council of Churches also informed the Asian, English, American, German and Australian church councils about this. It has also asked for cooperation from Amnesty International (London) and from the International Lawyers' Subcommittee (Geneva). It is felt that these organizations, too, will appeal for basic human rights and express liberal views on behalf of their Buddhist friends.

Columnist Urges Disclosure of Evidence

Bangkok BAN MUANG in Thai 15 Aug 84 p 4

[Free Thoughts, Cool Breezes and Sunshine column by Nui Bangkhunthien:
"Justice For Suspects"]

[Text] The queen's birthday on 12 August this year was an important occasion. Hundreds of thousands of people filled Sanam Luang and Ratchadamnoen Road all the way to the equestrian statue of King Chulalongkorn. This was a rare sight. The line of people, starting at the statue and ending at Sanam Luang, was 3 kilometers long.

Such an event was a good omen and makes us feel confident that Thailand will remain in a better position than neighboring countries since we have a lofty institution that unites us.

When problems that arise in society, no matter how big or small, reach a certain level, they will begin to disappear because of the king's prestige.

Actually, Vietnam, Kampuchea and Laos were once just as fortunate as Thailand. They had a monarchy to bolster the nation. But unfortunately, our neighbors split into different factions and tried to destroy each other with no thought of the disaster to follow or of the importance of that institution. This is why these countries finally split apart. I am sure that this will not happen to us.

However, in showing loyalty, which everyone does with pure intentions, consideration must also be given to "having reasons." Take the case of S Siwarak, for example. The police have filed lese majesty charges against him, but this is still just a "charge." The guilt of Mr S Siwarak is up to the courts to decide. People should not rush to a decision now. Since we have laws to rely on and people respect the law, we must let the legal process run its course.

S Siwarak plays a role in international activities, and he is known widely. Amnesty International and the World Council of Churches are following this matter closely. If too harsh an attitude is taken, Thailand's image will suffer.

Besides the case involving Mr S Siwarak, people of the world still have great doubts about the case involving 22 suspected communists. The police have said that they will reveal certain pieces of evidence that will not harm the case so that the people can see that these people were arrested only after matters were considered carefully and only after much evidence was obtained. But a month has passed now, and they have still not revealed any evidence. The investigation has still not been completed.

Police have the power to detain suspects in communist cases up to 480 days. Mr Sutham Saengprathum, the former secretary-general of the Student Center once said that the body that extended the detention time to 480 days was the National Administrative Reform Council, which seized power on 6 October 1976.

But the National Administrative Reform Council was still better than previous revolutionary powerholders, who imprisoned suspected communists without any regard for the law at all. Some suspects were held for up to 8 years. And during that time, no investigation was conducted, and it was not stipulated when the cases would be sent to court. They were imprisoned and forgotten.

Such behavior is a reflection of a dictatorship that does not follow any principle except to use power to beat the people, who have no way to strike back. The dictators set themselves up as judges. There is interference with the system of justice.

Those who love democracy must help ensure that this does not happen again. The international community does not recognize administration in a dictatorial system. Even if the dictators are very knowledgeable and capable people, the Free World will condemn them. This is because the dictators can easily oppress people. Power depends on the individuals.

Certain Thai dictators in the past did many constructive things. But there was great evil in personal affairs, including using special privileges, playing favorites, taking bribes, making excessive use of their powers and creating a realm of fear.

The effect on society of having a dictatorship is that almost everything comes to a halt, particularly intellectual development. Individual rights and freedoms are limited by unjust measures. This is why most people in such a society narrow their world, are unenthusiastic about fighting and lack an appreciation for justice. Dictatorship forces people to be concerned mainly with protecting themselves. And this leads to selfishness.

State power is a very complex matter. It involves both mind and feelings, and the results can be much more serious than physical compulsion. Thus, those who use state power must be very careful. The best way for Free-World societies is to eliminate dictatorship, attach more importance to "principles" than to "individuals" and use the institutions in the country to solve the problems.

Take the communist cases, for example. The people who made the arrests thought that they were doing their duty and that they were protecting [the country] from those who follow this ideology. But when people are arrested, they must have the right to defend themselves in accord with what is just. For example, after a thorough investigation has been conducted and clear evidence has been obtained before arrests

are made, there is no need to detain suspects for 480 days. And when it is announced that evidence will be revealed to the people, this must be done.

Today, the world is smaller than it once was. When something happens in a country, it is known immediately all over the world. A bad image may generate dislike in other countries. And that means that everyone in the country will suffer losses, regardless of whether we are talking about relationships, trade or national honor.

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CSO: 4207/210

THAILAND

EDITORIAL VIEWS CLANDESTINE AFFAIRS BUDGET

Bangkok THAI RAT in Thai 16 Aug 84 p 3

[Editorial: "Subcommittee Activities"]

[Text] A spokesman for the Budget Subcommittee announced that the secret government budget will not be touched because the subcommittee agrees with establishing this budget or because the subcommittee is afraid of secret powers. But regardless of the reasons, a "clandestine" government budget has been established secretly and no MP in any period has ever been able to reduce it, regardless of whether the money has been for the military or for some other unit.

The reason for this is that we have become used to giving in to those in power. In every period, the secret government funds have been spent in accord with the wishes of the administrators and outside powers unsupervised by the legislature. During the debates on the secret government budget, this is not discussed. The legislature, which is responsible for supervising the administrative activities of the government, should not allow this to happen.

In every period, it is claimed that this budget is used for national security purposes and for the benefit of the people. It is claimed that this secret budget is needed for carrying on things in accord with the policies of the administrators. Those with the authority to use this budget don't reveal how it is being used. If the administrators are honest people, it can safely be assumed that the secret budget is being used for the benefit of the country. But if the administrators are not honest, who knows what it is used for!

In the past, there were doubts about whether the secret budget was being used properly in accord with the objectives. An example is that when certain administrators lost power, we all know what things were like. Secret funds had been disbursed to the old administrators for their personal use or to their underlings. These funds have even been spent on lavish items. This is something that the MPs probably won't forget.

As for why we have brought up this matter, we agree that national defense and the well-being of the country are important. Rather, we object to this on the grounds that in our present economic situation, all budget expenditures should be supervised, and people should know what the money is being used for. Just saying that it is a secret is not right.

Something worth noting is that the Ministry of Defense is not the only ministry to have a secret budget. Several other ministries such as the Ministry of Interior, the Ministry of Agriculture, the Ministry of Finance and the Office of the Prime Minister also have secret budgets. Occasionally, the people, who pay the taxes, should be told what these funds are being used for. This should not be considered to be a government secret that cannot be revealed.

If the subcommittee cannot touch this because it is afraid of some faction or because of some internal weakness, it should state frankly that it cannot touch the secret budget. Otherwise, parliament will not be able to survive or put the people's doubts to rest.

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THAILAND

EFFORTS TO AID SULAK; FRG THREATS TO CUT AID NOTED

Bangkok MATICHON in Thai 23 Aug 84 pp 1, 2

[Article: "Germany Threatens to Cut Aid to Thailand Over S. Siwarak Case"]

[Text] Opposition to the arrest of S. Siwarak is increasing. West Germany has threatened to cut economic and cultural aid.

A news report stated that opposition abroad to the arrest of Mr Sulak Siwarak, or S. Siwarak, on lese majesty charges has continued to grow. In particular, the U.S. embassy has served as the middleman in delivering many telegrams and letters from congressmen, religious organizations and university professors in the United States to the Ministry of Foreign Affairs.

Those letters all call on Thai officials to release S. Siwarak, saying that he was arrested because of political persecution.

At the same time, seven West German MPs and several Protestant organizations have sent letters to the Thai embassy in West Germany and to the German Ministry of Foreign Affairs recommending that West Germany cut the economic and cultural aid given to Thailand if Thai officials refuse to release S. Siwarak.

The letters stress that the arrest and loss of freedom of S. Siwarak amounts to a challenge to democracy in Thailand.

The Southeast Asian Data Center, which is headquartered in New York, has sent an open letter to the Thai people and recommended that they telephone or send letters to the Human Rights Office at the U.S. State Department, to U.S. congressmen or Thai representatives and to representatives of various international organizations to have them help monitor the results of the investigation and send high-level representatives to attend the interrogations. Or nationally-known figures can telephone the Thai embassy or a Thai consulate to participate in opposing the arrest of S. Siwarak, which has again resulted in a reduction of human rights in Thailand.

At the same time, the Federation of Thai People For Democracy, which has its center in the United States, issued a statement calling on the Thai government to release S. Siwarak and the other political prisoners who were arrested during the period 3 July to 5 August. Besides that, it asked that the Anti-Communist Act and the Lese Majesty Law be repealed.

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THAILAND

RTN CHIEFS DISCUSS SHIP PROCUREMENT

Bangkok MATICHON in Thai 29 Aug 84 pp 1, 16

[Article: "Navy confirms New Bids On ships, No Hidden Motives"]

[Text] The RTN CINC has confirmed that the bids on large landing craft and minesweepers were made properly. He said that this has become an issue because a German company has complained. The minister of defense has given permission to build the ships.

At 1600 hours on 27 August, Admiral Praphat Chanthawirat, the RTN CINC, and Admiral Niphon Sirithon, the chief of staff of the navy, issued an announcement concerning the opening of the bids to build large landing craft and minesweepers. Several of the companies that submitted bids have complained that they were not treated fairly, as MATICHON has reported.

Admiral Praphat said that bids were tendered properly. He did not make an announcement at the time the news reports were published because things were then in the process of being carried out. Now, the minister of defense has approved the construction of these two types of ships and so he can now disclose the entire matter.

Admiral Praphat said that in tendering bids to build a large landing craft, the medium price was set at 500 million baht. Things got underway at the beginning of the year. At first, it was thought that the tendering of bids would be restricted to domestic companies. But since there are only two shipyards in the country, the price would have been high and so foreign companies were allowed to submit bids, too.

The RTN CINC said that when bids were first tendered, some companies tendered a single bid for building the ships within the country while others submitted a single bid for building the ships abroad. These bids were thrown out and new bids were called for. The Korea Takoma Company of Korea submitted a bid of approximately 344 million baht to build the ship abroad. The ItalThai Marine Company Ltd. submitted a bid of approximately 465 million baht to build the ship within the country.

Admiral Prphat said that he asked the Korean company to invest jointly with the company in Thailand and to submit a new bid to the navy. But the Korean company did not act in time. Thus, they were asked to agree on a new price. The price was lowered approximately 2 million baht to 341 million baht. Then, the ItalThai Marine Company was asked to agree on a price. Some of the equipment was changed, and they lowered their price 74 million baht to approximately 382 million baht. A cabinet resolution allows companies in Thailand to submit bids 15 percent above those of companies abroad. And he preferred to have the ships built within the country since the policy is to support this. And more than one ship will be built. Five to six ships will be built.

Admiral Praphat said that when the cost of sending people to supervise the work abroad and the cost of oil in bringing back the ship--which would together amount to approximately 10 million baht--is added in, the cost of building the ships in Korea would be cheaper by about 10 million baht only. And, as reported, the efficiency of the ships would be about the same.

"The cost of building these landing craft is about 118 million baht less than the medium price. This will enable the navy to purchase another 120-million baht patrol boat," said the RTN CINC.

Admiral Praphat spoke about the bidding to build minesweepers, for which the medium price was set at 500 million baht. The navy has been considering this matter for 2-3 years. There are two types of minesweepers, that is, those that are made of wood, which are cheaper, and those that are made of fiber glass, which are more expensive.

The RTN CINC said that the navy has selected the wooden type because Thai builders are more proficient in building wooden ships and their tools are more suited to building such ships. The second and third ships can be built in Thailand. When the bids were opened the first time, all companies submitted bids that were above the medium price. And so the navy cut back on some of its requests. For example, it dropped the request for two 20mm guns and one 40mm gun and asked for three 20mm guns instead. Originally, it was stipulated that the engine for the minesweeper was to be a German Penguin engine or alternatively the French Pap or Italian Pluto engines. But this was narrowed to just the Pluto engine.

Admiral Praphat said that in the second round of bidding, the Luvenwaft Company submitted a bid of 500 million baht. This was the winning bid, and when it was asked to reach an agreement, the price was dropped to approximately 490 million baht. Other companies sent letters saying that they would build the ship at a lower price, but this could not be considered since this violated the rules.

The RTN CINC said that this issue arose because German companies that were not selected, that is, the Kokkerwaf and Berkking companies, made an issue of this. As for the fact that the Luventwaft Company has never built this type of ship but has only made modifications, Admiral Praphat said that this is a new type of minesweeper. Only France, Italy and England have built this type of ship. No German shipyard has built this type of ship. However, they designed such ships before and so there shouldn't be any problems. The Luventwaft Company is highly skilled in building speedboats.

As for the matter of the minesweepers having a speed of only 3 knots. Admiral Nippon Sirithon said that the engine built by the Pluto Company is capable of speeds up to 5 knots. The best engine is capable of speeds up to 6 knots. These are about the same.

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THAILAND

COMPUTER-DRIVEN ROBOT PRODUCED

Bangkok THAI RAT in Thai 22 Aug 84 pp 1, 7

[Article: "Thailand Produces Computer-Driven Robot"]

[Text] Thailand has scored another great achievement by producing its first computer-driven robot. The Faculty of Engineering at the King Mongkut's Institute of Technology, Bang Mot Campus, which produced the robot, has named it "Robo-Mot 3." It is to be used in place of people to perform dangerous tasks in heavy industry. The cost of building one of these robots is only about 100,000 baht. On the other hand, those purchased from Japan cost 1.5 million baht apiece. Furthermore, the only operating cost is the cost of gasoline, which amounts to just 2 baht per hour.

Thailand's first computer-driven robot was produced by the Faculty of Engineering at the King Mongkut's Institute of Technology, Thonburi (Bang Mot) Campus. The research and testing took more than 3 years. It was just recently that satisfactory results were achieved in building this computer-driven robot, which has been given the name "Robo-Mot 3."

Robo-Mot 3 is a solid tube and stands approximately 170 centimeters tall. It is immobile but can be moved about by attaching wheels. It has a single arm with upper and lower sections. It has a forcep-type hand that is used to grasp various tools. The robot's arm can revolve around the body. The movements of the various parts are all independent of each other, just like a human hand. It is controlled by computer. To date, it has been programmed with more than 160 programs to have it perform various tasks. It is driven by a hydraulic system.

Robo-Mot 3 can lift objects weighing up to 7 kilograms. It is used for tasks that are performed slowly and at regular intervals. It is used to perform tasks that pose a danger to people. For example, it can be used to cast metal, press steel, grasp pieces and supply them to the machinery, connect various parts of a motor, perform tasks that must be done in very hot places and do welding. The purpose in producing such robots is to use them in heavy industry, for example, at vehicle assembly plants, just as in Japan and the United States. If a robot of similar type were purchased from Japan, it would cost

approximately 1.5 million baht. But the Robo-Mot 3 produced by the King Mongkut's Institute of Technology costs only 100,000 baht to produce. The reason why it is still so expensive is that some of the parts have to be purchased abroad. As for operating costs, expenditures for gasoline to run the robot amount to about 2 baht per hour.

The Robo-Mot 3 robot is a level-5 robot. A level-1 robot is a mechanical hand that is controlled using button or radio signals. A level-2 robot operates on electricity. It works continuously at the rate set. A level-3 robot is similar to a level-2 robot but is easier to adjust. A level-4 robot is a robot whose work instructions are stored within the memory recording apparatus. This type of robot performs tasks in imitation. A level-5 robot uses a computer tape or disk or designed program. The most advanced robot today, that is, the level-6 robot, has the ability to feel and see and can make decisions about what to do. At present, this type of robot has the "brain-power" of a 7-year-old child.

None of the large industrial plants are using an actual robot. They are actually using equipment that is half robot and half machine to do repetitive-type tasks. Statistics on the use of industrial robots in 1981 show that 6,000 robots were in use in Japan, 3,000 were in use in the United States, 1,250 were in use in Germany, 1,200 were in use in Sweden, 371 were in use in England and 1,750 were in use in various other countries.

The Robo-Mot 3 is the result of the great effort put forth by Associate Professor Rit Sutabut, the associate dean of the Faculty of Engineering for academic affairs, Assistant Professor Banthoeng Suwannatrakun, Achan [Instructor] Praphan Thonsitsombun, Achan Sawat Tantiphanwadi, Achan Suraphan Loetsukhakitchawattana and a number of students. In producing this computer-driven robot, there was continuous development beginning in 1982. At the beginning of the year, Robo-Mot 1 was built and tested. This was a robot that was controlled using a non-feed microcomputer. It could be used only for rough assembly tasks. By the end of 1982, they had built Robo-Mot 2, which could be used to perform delicate assembly tasks and to grasp parts to feed machines. They finished building Robo-Mot 3 at the beginning of 1984. It uses a recursion-type control system and can perform even more delicate tasks.

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THAILAND

RTA ARTILLERY CONTROL INSTRUMENT SAID TO BE OPERATIONAL

Bangkok THAI RAT in Thai 29 Aug 84 pp 1, 16

[Article: "RTA Produces Instrument; Tests Show Excellent Results"]

[Text] The Artillery Division has succeeded in producing an instrument to control and facilitate firing artillery and enable artillery to be fired more accurately. The quality of the instrument is better than that of those produced abroad, which are 10-times more expensive. The man responsible for producing this did so because he wanted to help the country save money. Athit will go see things for himself.

On 28 August at the Artillery Division in Lopburi, Major General Wirot Saengsanit, the commander of the Artillery Division, disclosed that on 30 August, General Athit Kamlangek, the supreme commander and RTA CINC, will come to observe a demonstration of the power of the division's guns. The purpose of his visit is to look at a new instrument used to control and facilitate artillery firing. This was the idea of Lieutenant Colonel Surachet Hopprathum, the chief of the logistics section. This is a modern and very efficient instrument. It has several excellent features. For example, it saves manpower, time and money.

Concerning this, Lieutenant Colonel Surachet Hopprathum, the inventor of this instrument, said that this instrument, which enables artillery to be fired more accurately, can be divided into two parts: the firing control mechanism and the firing support mechanism. As for the firing control mechanism, in the past, a firing graph was used to determine the distance, angle and direction, and mistakes could be made. Thus, an attempt was made to use a small programmable calculator. But then, when computers began to play a major role, it was thought that computers could be used to help determine distance, direction and angle for artillery. A program is written and fed into the machine. This enables various data to be recorded instead of having to use people. Initially, a Sharp computer was used. But it did not have Thai-language capabilities. It could not show results on the screen or print out results in the Thai language. And so he invented a computer that could feed programs and show results in the Thai language in order to make things easier for officials since most are non-commissioned officers.

As for the firing support mechanism, in the past, people were used to give orders concerning the location of the target and so there was a great chance of making an error. This was because the order had to be passed along in stages. But now, a small computer is used to facilitate firing. The forward observer feeds data on the target in to the small computer. The results are then forwarded by military radio to another computer at the fire support center of the artillery company. This does not require the use of spoken language. After the fire support center receives the data, it determines the direction and firing angle and then sends the firing data to the gunners. The gunners have screens showing the firing data. All of this takes about 20 seconds instead of 5 minutes as before. All of the parts are electronic.

Lieutenant Colonel Surachet said that the reason why he thought about producing such an instrument was that computer technology is changing very rapidly. This requires us to buy new equipment all the time. This costs a lot of money because one piece of equipment can cost 10-11 million baht. But if we produce the equipment ourself, the cost is only 1-2 million baht. Thailand is a developing country and so he wanted to produce this instrument in order to save money. Also, if such equipment is purchased abroad, there will be language problems since English is used exclusively. This instrument was produced only 6-7 months ago. The people who participated in studying and producing this instrument were Captian (Dr) Phaisan Sanguanmu from the Military Research and Development Center, Supreme Command Headquarters, and Mr Chirachai Siwon from the Communications Authority of Thailand. Besides this, in June General Athit Kamlangek authorized spending 1 million baht to purchase equipment to assemble this artillery control and support instrument. At present, it is being used along the border, and very good results have been achieved. It is being used with various types of guns. Even the firing of M-198 guns, which are long-range guns for which it is difficult to collect data, can now be controlled. And so there are no problems in firing the other guns.

As for the background of Lieutenant Colonel Surachet Hopprathum, a very creative individual, he is 37 years old. He is the head of the logistics section, Lopburi Artillery Division. He was a member of Class 6 at the Army Preparatory School. He received a 2-year scholarship from the Military Research and Development Center to study for his master's degree in the United States. On his return, he was assigned to the Military Research and Development Center, Supreme Command Headquarters. He was transferred to the Artillery Division in April 1983.

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THAILAND

TIN, OIL, FISHERIES EXPLOITATION PROJECTED

Bangkok NAEON in Thai 20 Aug 84 p 16

[Article: "Enough Tin Left For 60 Years; There Are Still Marine Deposits"]

[Excerpts] On the afternoon of 18 August at Chulalongkorn University, the Marine Sciences Department of the Faculty of Science held a debate on the topic "Marine Reserves and the Development of Thailand" on the occasion of National Science Day. Mr Wong Phonniam, the deputy minister of industry, said that tin has been mined from the sea for more than 80 years now and that this earns large sums of money for the country each year. For example, in 1979, the value of tin exports was 12.7 billion baht. However, recently, there has been a surplus of tin on world markets and this has caused prices to drop. Consequently, the value of exports has dropped, with the value of exports in 1983 being only 5.9 billion baht.

The deputy minister of industry also spoke about present tin reserves in the country. He said that the exact size of reserves is not known. The Department of Mineral Resources together with the United Nations, is conducting a survey. Some people estimate that marine tin deposits total approximately 2 million tons of ore, which is about 50 percent of domestic tin reserves. From these figures, it is thought that there is sufficient tin left for approximately 60 years. Thus, in mining tin, consideration should be given to the fact that tin is an exhaustible resource.

Mr Charan Achalaphuti, the deputy governor of the Petroleum Trust of Thailand, discussed oil surveys and drilling in the sea. He said that Thailand is one of the countries in ASEAN that has great potential on the petroleum front. At present, 128 wells have been sunk in the Gulf of Thailand. Natural gas has been found in 67 of the wells, and crude oil has been found in seven of the wells. No petroleum was found in the other 54 wells.

It used to be said that the chance of finding petroleum in the sea was only 1 in 10. But the above statistics show that this is incorrect since the chance is 1 in 1.6.

As for the problem of pollution from pumping petroleum, the PTT has been very careful and constantly taken steps to prevent pollution.

The next person to speak was Mr Plotprasop Suratwadi, the deputy director-general of the Fishing Department, who spoke about the country's fishing production. He said that Thailand is one of the 10 leading producers in the world. There are approximately 50,000 fishing boats, including those that are legally registered and those that are not registered. The yearly income earned from the export of marine products is approximately 15-20 billion baht, which is 15 percent of the value of total agricultural exports.

However, the development of the country's fishing sector must be carried on on several fronts. For example, at present, the Fishing Department is recommending that spawning shrimp not be exported in order to preserve the species.

The final person to speak was Mr Suraphon Sudara, the head of the Marine Sciences Department, Faculty of Science, Chulalongkorn University. He said that even though the mining of tin benefits the development of the country, attention must be given to the effect that this has on polluting the sea. As for extending the natural gas pipeline to the south in order to generate electricity, releasing water from the plant's heat dissipation system will affect young marine animals and the food of marine animals.

Concerning tourism, Mr Suraphon said that it is essential to see to it that the tourists who visit the country don't destroy marine nature. For example, they must not be allowed to destroy the coral, which is where marine life lives. To solve the problems that have arisen, all sectors must cooperate in resolutely trying to solve the problems.

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MILITARY AFFAIRS AND PUBLIC SECURITY

HAI PHONG ENDEAVORS TO DEFEAT WAR OF DESTRUCTION

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese No 8, Aug 84 pp 9-21

[Article by Doan Duy Thanh, member of the Party Central Committee and secretary of the Municipal Party Committee: "Hai Phong Endeavors To Create Basic Conditions for Defeating the War of Destruction"]

[Text] Hai Phong has long been a national industrial center with many important production sectors, including great potential for manufacturing, repairing, and producing parts for, marine transportation facilities and for the production of many different kinds of consumer goods and export goods.

Hai Phong is also a large commercial port with modern equipment, large capacity, a large cargo-handling capability, hundreds of ships entering and leaving the port, and millions of tons of exports and imports every year. It is a maritime, riverine, and land transportation hub and a commercial gateway to foreign countries and localities all over the nation. Hai Phong is an import, export, tourist, and service center.

Hai Phong also has a vast, rich suburban area with a seacoast, rivers, the Cat Hai island district, and three coastal districts with nearly 120 km of seacoast.

Hai Phong is a strategic unit of the Bac Bo delta theater which is situated directly on the South China Sea and has close relations with the northern border and central coastal theaters in the great enterprise of defending the homeland. In the war of aggression waged by the French colonialists and the war of destruction waged by the U.S. imperialists in the past, as well as in the many-sided war of destruction now being waged by the Chinese expansionists and hegemonists, the enemy regarded and are regarding Hai Phong as a key area of operation in attacking the Vietnamese revolution.

The Chinese reactionaries have sent in spies, waged psychological warfare, carried out political-ideological sabotage, economic-production sabotage, the sabotage of goods circulation, etc., in order to directly sabotage the great undertaking of building and defending the municipality and thereby sabotage the entire nation in many regards.

Hai Phong was a city that was temporarily occupied by the enemy during the anti-French resistance war and was the assembly point for the French aggressor

troops for 300 days, from late 1954 to mid-1955. It was a focal point of air force and naval attacks by the U.S. imperialists between 1966 and 1972. It was an area in which there were concentrated many Chinese long before the Chinese reactionaries insanely put pressure on them to leave in large numbers in 1978 and 1979. It is a center of international commerce with thousands of ships and tens of thousands of foreign sailors coming and going in recent years. With their nefarious, ugly plots the Chinese expansionists and hegemonists have sought all ways to take advantage of those objective circumstances of Hai Phong in order to plant and infiltrate their forces, such as intelligence agents, spies, reactionaries among the old exploiting classes and the former puppet army and administration, and reactionaries among the Chinese and people masquerading under the guise of religion, in order to carry out sabotage at present and "ambushes" in the future.

Beginning in 1978-1978, and especially in 1980-1981, Hai Phong faced severe difficulties and complicated developments. In addition to a seriously unbalanced situation of economic activity and extreme difficulty in the lives of the working people, especially the cadres and workers, the order and discipline situation was unstable, at times and in places seriously so. Especially, the Chinese expansionists and hegemonists were continually secretly sending people into Hai Phong to engage in intelligence and espionage activities and to continually organize people to flee abroad. The brazen theft of socialist property, especially in the port area, and the open abuse and expropriation of the people's property in some places in the city, created a bad situation not only with regard to security and national defense but also with regard to economics and politics, which caused cadres to become dissatisfied and the the people to worry.

That serious situation in Hai Phong in those years was clearly the result of enemy sabotage. In the Hai Phong area the enemy forces were not large and of course were not strong. But they were very insidious and wily, and in that kind of war of destruction they applied the strategic measure of "waging war through others." They endeavored to use criminals, hooligans and thugs, and backward, no-good, lazy, dissatisfied, and degenerate people to help them. They also sought all ways to exacerbate our weaknesses and deficiencies in economic-social management to carry out sabotage. They took advantage of the real difficulties in production and life as well as the legitimate aspirations of the cadres and people in hopes of creating a psychology of disgust, suspicion, and disorientation, attacking leadership, and slander the regime.

During the past several decades the soldiers and people of Hai Phong, under the leadership of the Party Central Central committee and the party organization, have built and maintained a tradition of heroic, resolute, intelligent, and resolute revolutionary struggle. In the past our beloved Uncle Ho awarded Hai Phong the title of "Loyal and Courageous-Determined to Win City." Today, in the new phase of the revolution, the party organization, soldiers, and people of Hai Phong are endeavoring to carry out the admonition to Hai Phong by our beloved comrade Le Duan, "Successfully build the right of mastership from the subward, village, ward and district levels up to the municipal level, and enable all citizens to truly be the masters, enthusiastically participate in production labor, go all-out to strive for the well-being of the people, and be determined to strongly defend the socilaist Vietnamese homeland."

The past several years have been a period of "hardship testing people as fire tests gold" on the part of the party organization, soldiers, and people of Hai Phong in the difficult struggle to build and defend the municipality and gradually increase national defense-security strength and struggle against the many-sided war of destruction waged by the enemy in the sphere of the city, gradually develop production, consolidate production relations, and stabilize living conditions. Many very important initial victories have been won in that resolute, persistent fight. The progress that has been made has created solid factors enabling Hai Phong to continue to victoriously attain the short-range and long-range general objective of "Being a port city with developed industry and agriculture, an export, import, tourist, and service center, and a steel anti-aggression bastion." It may be said that Hai Phong has created and is creating the basic conditions, with regard to both position and strength, to victoriously carry out the struggle against the enemy's war of destruction and against negativism in the city.

Fully understanding the resolutions of the fourth and fifth party congresses and the resolutions of the Party Central Committee, the Political Bureau, and the Secretariat, and on the basis of the actual situation in Hai Phong, the Eighth Congress of the Hai Phong Municipal Party Organization at the beginning of 1983 affirmed that "Extremely important missions for the entire party organization and the soldiers and people of the municipality for the 1980's, especially between now and 1985, are to create the basic material-morale conditions to defeat the enemy's many-sided war of destruction; repulsing and eliminating negative phenomena and not allowing the enemy to carry out acts of sabotage or foment chaos and rebellion; solidly ensuring political security and social order and safety; and strengthening defense capability and combat readiness in order to have sufficient strength to defeat the enemy should they foolhardily commit aggression."

The congress of the municipal party organization also clearly delineated the common guidance thoughts and the major measures, especially that it is necessary to bring into play consciousness of, and ability to exercise, collective mastery on the part of cadres, party members, troops, and people in both defending and building the city; to create the basic conditions to defeat the war of destruction waged by the enemy while at the same time completely eliminating the conditions of which the enemy can take advantage to sabotage us; and to organize concentrated, unified, tight, and sharp leadership and command at the municipal, ward, district, and basic levels.

On the basis of the actual situation during the past several years Hai Phong has begun to carry out a preliminary recapitulation in order to isolate the principal experiences regarding the stands and measures for opposing the enemy's many-sided war of destruction. That is a very fierce and complicated struggle that must be carried out comprehensively by many measures. It cannot be merely a direct struggle against the enemy, the reactionaries, and the intelligence agents and spies, although that is an extremely important part of that struggle, but must be a combination of many struggles on many fronts which are closely tied in with one another and mutually affect one another. The struggle between ourselves and the enemy in Hai Phong -- as the actual

situation during the past several years has demonstrated -- must be closely tied in with the struggle against negativism in society, the struggle between the socialist and capitalist paths, and the struggles to promote production, develop culture, stabilize living conditions, etc., for only thereby is it possible to create basic, solid conditions for stopping, repulsing, and defeating all sabotage activities of the enemy.

1. Concern for political-ideological education, closely tied in with positively promoting production and stabilizing living conditions; closely combining economic construction with defending the economy; and bringing into play consciousness of, and the ability to exercise, collective mastership on the part of the cadres, party members, soldiers, and people in opposing enemy sabotage and negativism, in defending and building the city, and in contributing worthily to the enterprise of building and defending the homeland.

In carrying out the fierce, complicated struggle against the enemy's many-sided war of destruction, Hai Phong regards teaching the Party's revolutionary line and the situation and missions, and especially exposing the criminal, insidious nature of the new enemy, as matters of foremost importance. Previously, among the cadres and people of Hai Phong there were still many people who, although they realized that the direct, dangerous enemy of our country's revolution are the Chinese expansionists profoundly understand their plots and schemes, especially the insidious, dangerous nature of their many-sided war of destruction.

Hai Phong carried out one concentrated education campaign after another that was both broad and deep, especially among the cadres and party members and among all the people in and around the city. Those concentrated education campaigns created a turning point in the consciousness of the cadres and people regarding the new enemy and their plots and schemes in the war of destruction, and made important progress in overcoming the serious subjectivism and lack of vigilance that had existed, and enabled the people of Hai Phong to, for the first time, clearly realize the relationship between the complicated changes in order, security, the protection of socialist property, and the phenomena of corruption, degeneracy, etc., and the enemy's sabotage activities in the city. That was an extremely important step in the struggle, for the enemy, always cruel and dangerous, sought all ways to "hide their face" and apply the strategic method of "using others to carry out sabotage." That was a complicated matter which in the past not everyone realized. Hai Phong gained initial successful experience.

An even more profound lesson learned by Hai Phong was to closely bind political-ideological education with seeking all ways to resolve economic difficulties, promote production, and stabilize the living conditions of the masses, while at the same time tying in economic construction with economic protection and regarding that as an indispensable condition for bringing into play the consciousness of the cadres, party members, soldiers, and people and their ability to exercise collective mastership in opposing enemy sabotage, opposing negativism, and protecting and defending the city, while at the same time completely eliminating a number of conditions of which the enemy might take advantage to sabotage us in many regards in the city. The period in which the enemy is feverishly waging a war of destruction in Hai Phong is also a period

in which the city is facing many severe difficulties with regard to the economy and living conditions, among which the greatest difficulties are grain, energy, and materials. The difficulties regarding grain and agricultural production in general have not only greatly influenced the thought and lives of more than 700,000 people in the agricultural, forestry, and fishing sectors -- the peasants lack enthusiasm in production and many negative phenomena, some of them serious -- but have also strongly influenced many activities of the city. The lives of nearly 600,000 people in the nonagricultural sector, especially in the city, have become increasingly difficult and violations of order and security have increasingly developed. That adverse situation regarding the economy, living conditions, and society have considerably affected the labor enthusiasm and fighting will of the masses and even the struggle against negativism and enemy sabotage. As far as the enemy are concerned, those are conditions that can be exploited, taken advantage of, exacerbated, and encouraged in order to attack us.

As everyone knows, because it fully understands the Party's line of advancing from small-scale production, creating initial capital from labor, land, and trades, and promptly resolving the immediate, urgent difficulties and meeting the long-range development requirements, Hai Phong has resolved economic difficulties and, on the basis of agricultural production, the spearhead of which is grain, and by means of the mechanism of contracting out production to groups of workers and individual workers, has created one of the extremely important conditions for all sectors and trades, and all aspects of the city's activities, to develop, and for the victory of the struggle against negativism and enemy sabotage. The central echelon and the localities all over the nation have concluded that that policy of Hai Phong is correct and has been verified by Hai Phong's many victories over the past several years, including the greatest victories ever in Hai Phong with regard to agricultural production and grain production.(1)

From the point of view of relationship to political-ideological education, the protection of production, and protection of the economy, the recent victories on the agricultural and grain fronts in Hai Phong have a truly great importance, not only with regard to the economy and society, national defense, security, and opposition to negativism and enemy sabotage. The actual situation during the recent period has clearly demonstrated that when the collective peasants outside the city, under the leadership of the party, produce increasingly larger amounts of food for their families and for the nation, and are advancing to the creation of a new countryside and enthusiastically carry out the "tile roof program" and the "economic-cultural center" movement (2). Clearly, the peasants not only voluntarily and enthusiastically participate in production labor but also are conscious of resolutely protecting the results of that labor, protecting the peaceful, happy villages and hamlets, protecting the city, protecting the beloved homeland, and protecting our fine new regime. The many negative phenomena of the past in rural areas have today clearly declined, and the conditions of which the enemy can take advantage to sabotage us have been limited.

The victories on the agricultural production and grain production fronts exerted a good influence on the city's activities in many regards, both in and around the city. With grain there are conditions for expanding the sectors and

trades, for promoting the production sectors, etc., and there are also conditions for providing employment for tens of thousands of workers, for people who are able to work but who previously had no work, and also for people who are still able to work but who in the past earned their livings illegally. Inside the city, in addition to correctly implementing the salary and bonus policies and the system of worker supplementation, there has been widely implemented the form of paying salaries based on piecework and output in the economic sectors, combined with the development of the family economy in the right direction in order to increase social output and the workers' income. At the same time, attention has been paid to doing an increasingly better job of meeting the essential needs of life in the city, such as providing on an increasingly stable basis grain for the cadres, workers, and dependents as well as the rationed goods for cadres, workers, and troops, and making important improvements in supplying electricity and water for life in the neighborhoods, etc. All of those measures were truly significant in many respects, economically, socially, politically, and militarily. The citizens in the nonagricultural sector became increasingly closer to their organs, enterprises, streets, and subwards, paid more attention to having consciousness of, and ability to exercise, collective mastership in all aspects of activity in the city, especially in the struggle to oppose negativism and maintain order and security in each base and in the city as a whole.

Only if political-ideological education is closely combined with promoting production and stabilizing the living conditions of the masses can there be created both the morale and material conditions for encouraging and organizing a mass movement to oppose enemy sabotage and negativism. That movement closely tied in all economic construction activities with economic protection. Hai Phong implemented an all-round plan to protect the economy by many measures in order to protect production, protect the enterprises and organs, protect the warehouses, protect the materials and raw materials, and protect socialist property throughout the municipality. The most important measures are actively guarding against and preventing the enemy from carrying out economic sabotage; reviewing the entire economic management organization; not allowing unreliable people to serve in important jobs relevant to economic secrets, valuable and scarce materials, and valuable equipment; resolutely dismissing from organs and enterprises people who are corrupt and degenerate; and continually perfecting the system of organizations for protecting enterprises, organs, and warehouses, including the improvement of the quality of protection forces and the strict observance of regulations regarding the protection of production and the economy. Having passed through a process of mobilization and organization, today in Hai Phong economic construction accompanied by economic protection has become a mass movement in many economic sectors, the direct responsibility of the heads of all enterprises and organs, and an important responsibility of the Trade Union and Youth Union chapters in each basic economic unit. Therefore, during the past several years, especially 1983 and the first months of 1984, economic protection and the protection of socialist property in Hai Phong have made important advances.

2. Take the initiative in detecting the enemy early and fighting them while they are still far away; strengthen the population management work and

understand the situation of each family and person; continually perfect the people's security defense lines, especially on islands and along the coast, in order to promptly stop and defeat all espionage, sabotage, trouble-making, psychological warfare, and poison culture dissemination activities of the enemy, and solidly ensure political security; and take the initiative in guarding against, resolutely repulse, and eventually eliminate the negative phenomena, maintain pure internal ranks, and maintain social order and safety.

During the past several years the municipal party organization in Hai Phong has endeavored to "enable the people to have enough to eat and sleep in peace." Hai Phong has resolved difficulties, promoted production, and endeavored step-by-step to "enable the people to have enough to eat." But to attain the goal of "enabling the people to sleep peacefully," of solidly defending the municipality and each street, hamlet, and village in all respects and under all circumstances, it is necessary to continue to make many efforts, for that is a very complicated matter. In order to attain that objective, it is clear that Hai Phong must first of all resolve very positively and urgently the problem of grasping and fighting the enemy.

Hai Phong is a port city with busy traffic coming from and going in many directions, so the problem of grasping the enemy is very complicated. It is necessary to firmly grasp both the enemy who have been planted in advance and those who have been continually infiltrated, both by secret, illegal routes and by open, legal routes, and both those who enter by sea and those who enter from many directions on land, especially via exports, imports, diplomats, tourists, and via port roads and ocean-going ships. Of course, it is most important to grasp the ring leaders, chieftains, and lackeys, but in the struggle against that war of destruction it is also necessary to grasp the categories the enemy usually use to help them carry out sabotage, such as criminals, hooligans, and thugs as well as opportunistic and degenerate elements. Only by grasping the situation in such a way is it possible to take the initiative in stopping and repulsing all of their sabotage activities. Although Hai Phong has an organizational system for closely grasping the enemy, and although it recently has done a good job of ensuring political security, the municipal party organization and governmental administration are not satisfied, have not stopped, and cannot be satisfied with the extent to which the enemy have been grasped. It has not neglected any activity of the enemy, no matter how small, and has entered deeply into understanding each household and person in the city, especially in the suburbs in the city proper. It may be said that population management to grasp each household and person is an important task in grasping and fighting the enemy in the municipality.

If grasping the enemy is complicated, fighting the enemy is no less complicated, and attacking those who help the enemy is even more complicated. With the requirement of taking the initiative in guarding against the enemy it is necessary to fight the enemy while they are still far away. In terms of space it is necessary to fight the enemy before they have infiltrated the city. And with regard to forces it is necessary to strongly attack the categories whom the enemy can utilize from afar to attack us. Only thereby can we eliminate at the roots the conditions of which the enemy can take advantage to attack us, and only thereby is it possible to smash their sabotage schemes before they can be carried out. Hai Phong has endeavored to fight the enemy

before they attack us. If the enemy are not punished before they attack and cause damage we cannot be considered as having won a complete victory.

If that is to be accomplished, one of the most important matters for Hai Phong is building, consolidating, and perfecting the people's security defense line throughout the city, especially on islands, along the coast, along roads, and in the other strategic areas. In such places both the specialized forces and the masses grasping and fighting the enemy have been carefully selected and educated, are tightly led and commanded, and continually practice in accordance with many different plans.

In order to stop activities which help the enemy carry out sabotage, Hai Phong has resolutely repulsed and advanced toward eliminating, the negative phenomena throughout the city, especially in the city proper, with concentration on the port area. The struggle against negativism is intended to completely eliminate the conditions of which the enemy could take advantage to commit sabotage in Hai Phong during the recent period has taken place in all spheres: preventing and fighting corruption and thievery, protecting socialist property, resolutely organizing and transforming small merchants and market management, restoring order on the distribution-circulation front, preventing and fighting criminal violations, maintaining order and security in the city, preventing and fighting the infiltration, harboring, and distribution of reactionary, decadent cultural products, and building the new culture and the new man. On those fronts the city has won very important initial victories. In nearly all enterprises and organs the theft of state property has declined every year. The markets, especially the Sat market, have been reorganized. Hai Phong is endeavoring to, by the end of 1985, transfer 90 percent of the small merchants to production. The socialist commercial system has been further consolidated and strengthened. On the streets and in the subwards in the city proper, and especially in the villages and hamlets outside the city, social evils, hooliganism, thievery, and criminal violations have been greatly reduced and in many places have been eliminated. In public places and among many families poisonous cultural activities have been stopped to an important degree and wholesome revolutionary cultural activities have increasingly developed.

One of the very basic matters in building our forces, and also an urgent requirement in order to take preventive measures in the struggle against negativism and enemy sabotage, is consolidating and maintaining strong, pure internal ranks. The recent municipal party congress regarded progress in building and defending the Party and governmental administration of Hai Phong as a decisive factor in the many victories won by the city and as having a direct, decisive significance on the front of opposing negativism and enemy sabotage. Only by overcoming internal negativism is it possible to repulse negativism in society and prevent the enemy from taking advantage of our internal weaknesses in order to attack us. Hai Phong has positively carried out political and specialized education for nearly all cadres and party members. It has resolutely consolidated the party organizations, governmental apparatus, and economic management systems from the municipal, ward, and district levels down to the subwards, villages, organs, and enterprises. It has admitted nearly 6,000 new party members, nearly all of whom were outstanding members of the masses who stood out in the seething revolutionary movement to build and defend the city. It promptly expelled from the Party

thousands of people who were no longer qualified to be party members and resolutely brought the serious cases to justice. All of those measures strengthened the Party, the governmental administration, and the mass organizations, prevented and overcame to an important degree the collusion between the enemy and negative elements in society and the opportunist, degenerate, debauched elements, and the paralyzing of revolutionary will within our ranks, and took the initiative in stopping and overcoming internal spies.

3. The party committee echelons exercise direct leadership; the governmental administrations directly guide the organization of implementation; the entire proletarian dictatorship system directly derives as the hard core in implementation; the public security forces and armed forces directly serve as the sharp spearhead in the struggle against enemy sabotage and negativism throughout the city.

Clearly realizing that the struggle against the many-sided war of destruction waged by the enemy is a fierce, complicated revolutionary struggle, and urgent political mission, a burning military mission, and an extremely important part of the great undertaking of building and defending the city, it was essential to organize centralized, unified, comprehensive, and sharp leadership and command of the struggle. It absolutely could not "give a blank check" to any one element and had to bring into play the combined strength of the entire city, not just a specialized force.

Therefore, in Hai Phong all Party committee echelons, from the municipal, ward, and district levels down to the subwards, villages, organs, and enterprises, must be staffs which directly lead that struggle. In practically all their meetings the party committees discuss the resolution of that problem. Each party committee from the basic level on up regards the security-national defense mission and the mission of opposing enemy sabotage and negativism as basic, long range problems and as urgent, immediate requirements. In places and at times they are also regarded as the most pressing problems. Of course, in the struggle against enemy sabotage and negativism, in some places it is necessary to begin to find and fight the enemy immediately, but other places must begin with other tasks, such as consolidating cooperatives, restoring order and discipline on the streets, or strengthening the party chapters, party organizations, people's committees, public security forces, etc.

The governmental administrations at all levels, from the municipal, ward, and district levels down to the subwards and villages and the heads of organs and enterprises, directly "deploy troops and organize the battlefront" and directly guide the drafting and implementing "operational plans." Of course, the party committee echelons and governmental administrations must rely on their staff organs -- the public security, army, propaganda-training, legal, and other organs -- but no single sector should be given a "blank check" to guide that struggle, for each sector, depending on its function, forces, and strong points, has strengths which no other sector can replace. But none of those sectors, no matter how strong, can replace the combined strength of all the sectors and of the municipality in addition to the internal political sector, which guides the struggle on a permanent basis, the mass organizations, such as the Trade Union, the Youth Union, the Women's Federation, etc., are also very important forces which positively participate in the struggle in each sphere.

Youths and teenagers were mobilized to serve as assault forces in protecting security and order in all neighborhoods, villages and hamlets.

Due to the decisive, complicated nature of the struggle against enemy sabotage and negativism in Hai Phong, the municipal public security forces and armed forces play an extremely important role and have very great responsibilities. Those forces, as the Municipal Party Organization Congress affirmed, must be strong and pure, must be strictly and tightly led, must be used in correct accordance with their functions and missions, and their capabilities and strengths must be brought into play, so that they can serve as effective staff organs and sharp spearhead forces. Because they share the same revolutionary nature and mission of defending and building the municipality and defending and building the homeland, and are both under the direct leadership of the Municipal Party Committee and the direct guidance of the municipal government, and because of increasingly thorough understanding of the Party's viewpoint that "national defense and security are one in the same," in past years, especially during the past several years, the municipal public security forces and armed forces have become increasingly close and have cooperated closely in construction and in grasping and fighting the enemy. The municipal public security forces and armed forces have truly become a unified staff organ of the party committee echelons and the governmental administration, and have become a unified spearhead force of the entire population in struggling against enemy sabotage and negativism. With regard to the armed forces, in Hai Phong, in addition to the local troop units, the reserve forces, and the militia and self-defense forces, there are hundreds of main-force army units and national defense workers of the armed forces branches, combat arms, and national defense enterprises. They are very strong forces of all national defense by all the people in the municipality and recently have also been very important forces participating in the struggle against enemy sabotage and negativism in Hai Phong.

The relatively good and complete leadership-command strength and hard core-assault strength of the municipality are the direct results of the work of building and defending the Party and the governmental administration, and the development of those strengths was the direct reason for the initial victory of the struggle against the enemy's many-sided war of destruction in the city.

4. Concentration on building the basic level in all regards, in order to enable all subwards, villages, and organs all over the municipality, especially the villages on islands and along the coast, the subwards in the city proper, and the enterprises and key installations around the military bases, etc., to become truly strong units.

Building a strong basic level has always been a very basic and extremely important matter in revolutionary struggles, especially the present struggles between the enemy and ourselves and between the socialist path and the capitalist path. Essentially, therefore, that struggle is carried out directly at the basic level. One of our strengths is the basic level, for the revolutionary masses are concentrated in the greatest numbers there. As for the enemy, if they are to attack us it is essential that they infiltrate and gain a foothold in the basic level. The negative phenomena also usually occur at the basic level. The actual situation in Hai Phong during the past several

years has also clearly shown that in any area or base that is strongly developed and consolidated the enemy cannot operate and it is difficult for negativism to develop. After a period of concentrated development of the bases in many regards most of the bases in the municipality, both in the outskirts and the city proper, have made much progress. With regard to ensuring political security and social order and safety, most of the bases have attained an advanced status, there are fewer average bases, and there are very few weak, deficient bases.(3)

In Hai Phong, during the recent period the building up of the basic level has begun with combining the ideological work and the organizational work. On the basis of clearly determining the basic, principal missions of each type of basic-level unit it has carried out the supplementation and education of cadres, party members, and the masses, while at the same time promptly consolidating the party chapters and basic-level party organizations and inspecting the ranks of the cadres and party members, especially the key cadres at the basic level. By means of reviewing the qualifications of party members and issuing party membership cards, by means of party congresses at all levels and the recent People's Council elections, etc., Hai Phong has made important progress in strengthening the corps of basic-level key cadres.(4) That strengthening has been approved by the party members and supported by the masses, and has become a new motive force which has strongly propelled the mass movement at the basic level.

In hundreds of basic-level units throughout the municipality, Hai Phong has concentrated its intelligence and effort, and its forces and facilities, on strengthening the most important bases, the villages on islands and along the city, the key enterprises and installations, and those around military bases. They are basic units in areas that are very important with regard to national defense, security, economics, and society. Clearly, today the strength of many bases in the key areas has played a very important role in the great undertaking of defending and building the municipality and has exerted a very great influence on the results of the struggle to oppose enemy sabotage and negativism not only in those basic-level units but also in the other bases in other areas.

In Hai Phong the bases are usually developed into strong, integrated bases in each area, for it is usually very difficult to have permanently strong bases when they are among or next to weak, deficient bases. In the struggle against enemy sabotage and negativism there is a very strong, permanent reciprocal relationship among the bases in an area. To solidly defend the economy and socialist property each organ enterprise must take internal measures and the surrounding subwards and villages must eliminate the open-air markets, blackmarket rings, gangs of robbers, groups of hooligans and thieves, etc. If the subwards and villages are to eliminate those activities, along with measures to deal with those phenomena the neighboring organs and enterprises must strictly manage state goods, materials, raw materials, and property and prevent all acts of collusion by degenerate elements in the organs and enterprises.

In Hai Phong a matter of decisive importance in grasping and fighting the enemy, and in opposing enemy sabotage and negativism, is creating and bringing into play the combined strength of all forces and measures in the struggle at the basic level. A matter of foremost importance is for the party chapters and party organizations to mobilize and organize a movement for the masses to voluntarily serve as the collective masters in defending and building the basic level, and in both opposing negativism and opposing enemy sabotage. The governmental, public security, militia, self-defense, youth, women's, and other forces must strongly and continually improve their effectiveness and be truly resolute and sharp. The results of the struggle against the enemy's war of destruction at the basic level are usually dependent to a very important degree on the political quality, revolutionary will, and leadership and guidance ability and art of the key cadres at the basic level.

Hai Phong's many victories during the past several years, including outstanding victories in agricultural production and initial victories in opposing enemy sabotage and negativism, arose from the correct revolutionary line of the Party, the wise leadership of the Party Central Committee, headed by our beloved General Secretary Le Duan, and of the Council of Ministers, and the all-out assistance of the ministries, the sectors, the central organs, many localities throughout the nation, and of the municipal party organization, party committee, soldiers, and people.

In comparison to the past, Hai Phong's victories were truly great, but were only initial victories. There are still many problems which it must continue to study and resolve in the great undertaking of defending and building the municipality. While having to concentrate on endeavoring to attain as well as possible its economic-social goals for the 1980s and to defeat the enemy's many-sided war of destruction, Hai Phong must be fully concerned with comprehensively building and consolidating national defense by all the people in the municipality, to ensure that the port city always maintains its tradition of being "Loyal, Courageous, and Determined to Win." It must be a "Steel fortress opposing aggression and defending the homeland" in order to, along with the soldiers and people all over the nation, defeat the enemy under all circumstances.

FOOTNOTES

1. Prior to 1980 the peasants of Hai Phong encountered many difficulties and were classified among the most deficient in the nation. Although their grain obligations toward the state were not great they were usually not met. Indeed, every year the central echelon had to provide the municipality with 100,000 tons -- in some years 150,000 tons -- of grain. Every year the peasants had to be provided with 3,000 to 4,000 tons -- in one year 9,000 tons -- of famine relief grain. In the 1981-1983 3-year period Hai Phong's agriculture developed rapidly, uniformly, and stably, with regard to area, yield, and output. More than 10,000 hectares were recovered from the sea, of which more than 3,000 hectares were brought into production; yield increased from 4.2 tons per hectare to 6.3 tons per hectare; output increased from 180,000 tons to 280,000 tons and the amount of grain mobilized increased from 20,000 tons to 100,000

tons. In the past the central echelon provided Hai Phong with between 100,000 and 150,000 tons but now provides only 30,000 tons.

2. Efforts are being made to complete the "tile roof program" (to put tile or flat roofs on houses) in all rural areas outside the city by the end of 1987. In Thuy Nguyen District, which has 33 villages and nearly 200,000 people, 5 villages have completed the program and 9 villages have completed 90 percent of the program. Efforts are being made to complete the "tile roof program" throughout the district and to build village and district economic-cultural centers and form "agricultural-industrial villages," an "agricultural-industrial" district, and an "industrial-agricultural municipality of Hai Phong" by the end of December 1984.

3. Of the villages, 110 (67 percent) are advanced or good, 44 (27 percent) are average, and 9 (6 percent) are deficient. Phuc Le became the leading village in 1983. Among the subwards, 28 (82 percent) are advanced or good, 6 (18 percent) were average, and none were deficient. Cau Dat became the leading subward in 1983. Of the organs and enterprises, 244 (87.5 percent) were advanced or good, 35 (12.5 percent) were average, and there were no deficient units. The Bach Dang boatbuilding factory became the leader among organs and enterprises in 1983.

4. Eighty-six village party committee secretaries, 90 agricultural cooperative directors, 8 party committee secretaries and 13 directors of local industrial enterprises were replaced. More than 1,000 production team leaders, department heads, store heads, etc., were replaced.

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MILITARY AFFAIRS AND PUBLIC SECURITY

BASIC TRAINING FOR RECRUITS PRAISED, IMPROVEMENTS SUGGESTED

Hanoi QUAN DOI NHAN DAN in Vietnamese 6 Aug 84 pp 1, 4

[Editorial: "Basic Training for Recruits"]

[Text] Units are presently developing the training of recruits. The period of training is relatively short in order to achieve high standards; every training session for recruits should have concrete objectives and requirements. Training should be comprehensive in substance, but it needs to concentrate on important points and it is particularly essential that the task of basic training be done thoroughly.

To achieve victories, a soldier must have a strong determination to fight; he must possess solid fundamental qualities of a fighter. He must be quick-minded and be able to take initiatives for every situation so as to put to the most effective use the weapons and equipment he has in hand to eliminate the enemy and defend himself. In fact, this is also the most important goal of combat training. But to achieve this goal, soldiers are going through a well-prepared and scientific training program, learning the simple to the complicated, the elementary knowledge and skills relating to the gun, the grenade, the shovel and topography to tactics for individuals and detachments.... For recruits basic training on the substance of techniques and tactics is even more important. If a soldier engaged in combat is awkward in handling a minor malfunction of his weapon, if he cannot make a grenade explode, then we cannot talk about initiatives and high efficiency. We can thus say that fundamental knowledge is the basis for creative actions. Nevertheless, it does not mean that we should only communicate to soldiers dry and rigid knowledge. In the training process, cadres should communicate accurate and complete knowledge, while at the same time using lessons from practical combat experience to set examples of problematic situations in order to arouse thought and initiatives from soldiers. Besides helping soldiers to grasp the characteristics and actions of weapons and equipment and the meaning of each tactical movement, it is important to make them practice seriously so that they may become skilled in actual combat.

The recruited soldiers' first impressions have a strong effect not only on the results of their short term training, but also have a lasting effect on the whole process of formation and development of their fundamental fighting qualities during the entire period of their military service.

Thus, the contingent of cadres responsible for the training of recruits must be cadres whose qualities and abilities are exemplary in all aspects for soldiers to follow. The cadres engaged in the training of recruits should do the following extremely necessary things: they should carefully organize training sessions and thoroughly prepare lessons, exercises, learning materials, maintain discipline; they should fully grasp results acquired by every soldier through daily study; they should detect and modify the soldiers' shortcomings while doing a good job of educating and stimulating enthusiasm and hard work; and they should encourage the youths' eagerness to study and learn.

Good training in basic methods, accompanied by the development through political education of the will to fight, of a serious sense of discipline and of an active behavior will help soldiers to soon become military personnel with solid fundamental fighting qualities who will perform their military tasks well.

12745

CSO: 4209/439

MILITARY AFFAIRS AND PUBLIC SECURITY

PRK LOCAL FORCES TRAINING, OPERATIONS

Hanoi TAP CHI QUAN DOI NHAN DAN in Vietnamese Jun 84 pp 67-70

[Article by Viet Dung: "Armed Forces of Friendly Countries: A Number of Experiences in the Strengthening of the Kampuchean Local Armed Forces" (Comprehensive introduction according to materials and document published by Kampuchea)]

[Text] Under the leadership of the Kampuchean People's Revolutionary Party, under the direction and the close command of the PRK Ministry of Defense, during the last 5 years the Kampuchean local armed forces (including local infantry and self-defense militia) have been developed and gradually strengthened in local areas. The local people, with their hardcore local armed forces, have acted in close coordination with main force troops and with the Vietnamese volunteer soldiers to defeat every enemy scheme and stratagem for trouble and destruction. Political security, social safety and order were maintained, the borders were defended and the hinterland was rendered more and more secure. In the course of their development, the local armed forces closed ranks with main force troops and with Vietnamese volunteer combatants, courageously entrenched in local areas, became the hardcore for the movement calling on the entire people to fight and proselyte enemy soldiers, and contributed substantially to the defeat of the enemy's schemes and strategems. The local armed forces, acting independently and in coordination with main force troops and with Vietnamese volunteer combatants, engaged in 4,287 battles, among which 2,954 were independent operations (65 percent), put out of action 2,199 enemies, including 1,092 killed in battle and 1,107 captured; 881 enemy soldiers surrendered and 1,413 guns of all kinds were seized.

The provinces and districts have all had good examples of typical villages and hamlets fighting independently to control base areas; many local force units in provinces and districts have been fighting well and at the same time participating actively in effectively building up and developing their revolutionary force.

In many areas, a number of experiences are being drawn from the practical strengthening and activities of the local armed forces:

1. Building up the local armed forces, especially the militia forces at base level, must be closely coordinated with motivating the masses to realize the three revolutionary movements initiated by the People's Revolutionary Party; to fight and proselyte the enemy; to improve production and standard of living and to develop revolutionary capabilities.

During the last 5 years the Kampuchean People's Revolutionary Party have organized three stages of political activities among the people, motivating the entire nation to heighten their revolutionary spirit, denouncing the crimes and the destructive schemes and stratagems of the Pol Pot-Ieng Sary-Khieu Samphan gang, nurtured by the Chinese expansionists and hegemonists, conspiring with the American imperialists. In 1983 alone, more than 4 million people have participated in political activities.

On the basis of the mass movement, popular organizations, government agencies and local armed forces are being strengthened everywhere. The base organizations and agencies have identified and nominated recruits who are eligible to join the local armed forces. Wherever the people are being well motivated ideologically, they have reported to the local forces and to the security bureau the enemy's centers of subversion which have not been discovered in previous years (such as the Phnom Srouch District, Kompong Speu Province; (Ba Can) District, Pursat Province, and Prey Veng Province...).

Especially during the years 1982-1983 the people have realized the "three don'ts, one report" movement (do not follow, do not listen, do not serve the enemy; report every enemy subversive activity to the government). From October 1982 to June 1983, the people have coordinated with the Kampuchean revolutionary forces and security forces and with the Vietnamese volunteer combatants, captured 3,145 enemies, called on many to turn themselves in, persuaded 616 to surrender, seized 419 guns of all kinds, uncovered and arrested those who were operating clandestinely among the revolutionary and mass organizations. Local people have contributed 7 million workdays in support of the war.

The victories obtained in combatting the enemy, in persuading them to come to our side, in maintaining political security and order, and in social security, have created favorable conditions for protecting and improving production, thus stabilizing and enhancing the life of the people.

Many local areas have quickly recovered production, initiated new production relationships, solved their own food grain needs, stabilizing and starting to improve the standard of living, developed medical and educational services, thus realizing a good basis for the strengthening of all three military forces.

2. The strengthening of local armed forces must be closely attached to the initiating of new production relationships.

Right after the liberation of the country from the genocide yoke of the Pol Pot-Ieng Sary-Khieu Samphan gang, state controlled economy was initiated at important sectors of the economy. Arable land belonging to all the people was turned over to the production solidarity teams for collective use. In state controlled companies and in production solidarity teams, mass organizations and units of military and self-defense forces were being formed.

The state controlled and collective production organizations continued to develop their ownership role in an orderly manner and with an increasing awareness of the working and peasant classes in their task of nation building and consolidating the local armed forces for the defense of the fruits of the revolution, and of the Fatherland. The more the new production relationships develop, the more do the local forces develop and gain in strength.

3. The strengthening and activities of the local armed forces must go hand in hand with the comprehensive development of districts, villages and hamlets.

The key cadres responsible for government, military, security and mass organizations were carefully selected and politically reliable, from the district down to the village and hamlet levels. The consolidated boards and sectors at districts and villages have created a good foundation for the strengthening and activities of the local armed forces. Conversely, the local militia and the local infantry, being strengthened and improved, have created favorable conditions for the strengthening and improvement of production installations, forcefully activating local boards and sectors.

Currently, the provinces have started to develop 33 out of 140 districts, over 300 villages and 4,000 combat hamlets. Many consolidated districts and combat villages are beginning to have party bases, hardcore teams, armed forces and popular organizations; the government apparatus being developed and strengthened, are day by day exerting their control over the area of operation, increasing production and fighting the enemy to protect production.

The Puok District (Siem Riep Province), with a population of 86,000 is among the developed districts and is progressing in many aspects. Regarding production, the district has increased food plant cultivated area from 18,000 hectares in 1979 to 31,000 hectares in 1983, the paddy rice average requirement per person from 350 kg in 1982 to 400 kg in 1983. In 1983 the local armed forces operating independently and in coordination with the Vietnamese volunteer infantry, have attacked the enemy in 460 battles, killed 68, wounded 65, captured 4 and arrested 63 underground agents, called on 88 to surrender and seized 27 weapons of all kinds.

In implementing their plan for the development of combat hamlets and villages, many base organizations have succeeded in motivating the people to voluntarily cut off food supply to the enemy, to engage in identifying the enemy, to organize pursuit and clean-up operations along important communication routes, to uncover the enemy's food and ammunition caches, to fence hamlets and villages.

The people and militia at every village located along the 40 miles stretch of National Route No 6 were assigned by the district to be responsible for the protection of their part of the road; at important points, joint action was carried out with a unit of the local district infantry which served as the hardcore force. The joint alert system between hamlets and villages was developed with local means. Village by village, plans were made to combat the enemy with determination anytime, anywhere, to protect people and production. In the meantime each village has confirmed their militia's responsibility to be ready for joint combat operations with forces of other villages. Up to the present, a number of villages such as (Ta Xom), (Ta Co)... disposed of militia forces which have been able to initiate combat on their own, and did a good job in the task of defending the village. The (Lo Vieng) militia independently attacked the enemy while defending all the bridges along National Route No 6; in 1982 the enemy penetrated the village and were about to cause damage when the militia timely fired on them, killing and wounding a number, and forcing them to withdraw in haste. At (Tay No) village the people have searched for, uncovered and destroyed by burning arms caches.

From the beginning of 1983 till the present time, relying on the strengthening of the militia as the hardcore for the people's control over the defense of hamlets and villages, the district local forces have coordinated with the militia to secure safe communications, and with the Vietnamese volunteer forces to pursue and wipe out the enemy, destroying their southern military base, compelling them to surrender and give up their arms.

Parallel with their responsibilities to be ready for combat, to fight and to defend political order and stability as well as social security, the local forces also participated in the development of people's organizations and in the campaign to increase production to fulfill their grain obligation to the state and to enhance culture. During the 2 years 1980-1981, the people of the district have sold to the state 3,212 tons of grain, in 1983 they have increased sale to 4,277 tons. People of the district have also contributed 2 million riels and tens of thousands labor days to build 40 elementary schools and 4 level II schools, 1 district hospital and 10 dispensaries (among the 18 villages of the district).

Following up on their success and experience in directing the strengthening and activities of the local armed forces during the past 5 years, the local areas are continuing to forcefully carry out the three movements of revolutionary actions, central to which is the building up of a strong party, the improvement of quality among the cadres' ranks, considering this as the basic and key element to assure the strengthening of local forces and local government, to achieve the economic and living standard objectives, hence to defeat all the enemy's destructive schemes and strategems.

7809

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MILITARY AFFAIRS AND PUBLIC SECURITY

PRK DIVISION OPERATIONS AGAINST DK, SEREIKA NOTED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 26 Jun 84 p 2

[Article by Sovan Sayla, translated by N.K.C.: "Kampuchean Division 286 Good in Combat"]

[Text] During the last 2 years and more, within and without our ally Kampuchea, public opinion has been impressed with the forays of the armed revolutionary forces into a number of strongholds of the Pol Pot and other Khmer reactionaries in the mountain and forest border area to the north. It has also been interested in the maturation of the Kampuchean military units, including Division 286, which have been able to secure complex base areas of operation.

Created after the country emerged from the genocidal purge of the Pol Pot regime, Division 286 always enjoyed the full support of the Vietnamese volunteer cadres and combatants. With their deep hatred for the enemy in addition to the courageous tradition of our people, the division's entire body of cadres and combatants have exerted themselves in training and learning. They had to overcome every difficulty in order to secure control of the inaccessible Dong Rek mountain region which is over 700 meters in altitude and stretches out over hundreds of kilometers.

In spite of the fact that they had to set up quarters very far apart, during the last 2 years their cadres and combatants have been able to keep the enemy from infiltrating behind their line.

Comrade Mau Teum, political cadre leader of the division stated: "We always have to carry out two responsibilities at the same time: one is to consolidate our internal organization into a uniform and cooperating body which can both fight and strengthen its units, the other is to work together with the people in building combat villages and in launching the combat readiness movement among the people.

Regarding the first responsibility, within 1982 alone the division has initiated 37 pursuit and clean-up operations against enemy positions along the border and 798 operations against enemy underground forces, 349 ambush battles, killed and wounded 234 enemies, captured 59, called on 52 to surrender. Among these was the annihilation of Battalion 4, Division 912 under Pol Pot. In April 1983 the Division participated in the offensive against the enemy stronghold in the

Phnom Sat area, in O Smach region, at High Point 547, liberating hundreds of our compatriots who had been forced to follow the enemy as cannon fodder. Dozens of heavy guns and tons of ammunition were captured. From the practical lessons of battle, the division has built up a body of cadres and combatants experienced in jungle and mountain warfare.

In their second responsibility, the division always stayed close to the people, helping them to distinguish between friends and foes, and to understand the directives and policies of the government. The division's cadres and combatants are very loved and trusted by the 30,000 compatriots who live in the 70 villages in the region. It was the people who helped us capture 51 enemy operatives who were hiding among the people, call on 27 Pol Pot soldiers and 79 Sereika soldiers to surrender bringing with them dozens of rifles and thousands of rounds of ammunition. Moreover, our people have found ways to recall over 100 of their relatives who had been forced to, or persuaded to follow the enemy. They returned to their families with about 60 guns of all makes. Our people have voluntarily built over 30,000 meters of combat fences, and over 2,000 meters of combat trenches to keep ready for battle.

With the above mentioned performance, Division 286 was decorated with the "Victory Determination" banner by the Defense Ministry with nine class 2 and 3 Defense of the Fatherland Orders to the rank and file. In mid-1983, at the General Armed Forces Emulation Review Conference, Division 286 was recognized as "one of the most brilliant units in the whole country."

Comrade Mau Teum added: "After the offensive campaigns, the entire division's cadres and combatants continued to train themselves in all aspects, from cultural studies to modern conventional military techniques. Presently a number of the division's cadres are being sent to attend higher courses in Vietnam and in the Soviet Union. Thanks to the combat readiness spirit mentioned above, last March Division 286 routed the enemy even with air and artillery support from Thailand, when they tried to occupy High Point 547. Two hundred and seventy enemies from Pol Pot's Regiment 612 were put out of action."

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INTERNATIONAL RELATIONS TRADE AND AID

BRIEFS

AID FROM AUSTRIA, INDIA--Recently the Austria-Vietnam Friendship Association gave our people 100,000 schillings. The India-Vietnam Association and the Ho Chi Minh Research Center in Calcutta has announced that the Association is contributing medical equipment and medicine to Vietnam. If requested by Vietnam, a volunteer medical team will go to help our soldiers and people in the northern border region. [Text] [Hanoi NHAN DAN in Vietnamese 22 Aug 84 p 4] 5616

4209/471

PARTY ACTIVITIES AND GOVERNMENT

PARTY BUILDING WORK IN HANOI REVIEWED

Hanoi NHAN DAN in Vietnamese 24 Aug 84 p 3

[Unattributed article: "The Party Building Work and the Implementation of Leadership With Oversight in Hanoi"]

[Text] During the first 6 months of the year the party building work in Hanoi, which was tied in with promoting the fulfillment of the political missions, underwent positive transformations in a number of regards. Continuing to review qualifications and categorize party members, the basic party organizations essentially resolved 680 instances of party members not having been issued party cards; 411 comrades corrected their mistakes and made progress, clear conclusion were reached about the extent of their violations, and they were issued party cards. The rest were resolutely expelled from the party or were subjected to party discipline. At the same time, the party organizations accepted more than 1,700 party members, 52.6 percent of whom were youths. In the areas around the city 33 additional village party organizations were recognized as being pure, strong party organizations. Four districts -- Soc Son, Dan Phuong, Tu Liem, and Dong Anh -- are positively endeavoring to become strong party organizations this year.

Implementing the policy of increasing the number of cadres at the basic level, work teams of the Municipal Party Committee went to 83 subwards in 4 wards in the city proper to help guide the various aspects of the work. Efforts were concentrated on consolidating 17 weak basic party organizations, most of them in the state economic sector.

The political-ideological education of cadres and party members was carried out urgently. The Municipal Party Committee held five supplementary classes on political theory and economic management, an enterprise management class, and a supplementary class for cadres of worker origin. The resolution of the Municipal Party Committee regarding cadre plans was disseminated to the key cadres. Soc Son District completed its cadre planning down to the village level. However, many sectors and units have not yet urgently carried out that resolution and have lacked specific plans.

The system of leadership with oversight was implemented in 310 basic units in and around the city which, added to the 67 bases which implemented it on a trial basis in 1983, account for only 17 percent of all basic-level units. The control committees of the Municipal Party Committee and the district and ward

party committees, cooperating with the sections and sectors, helped the party committee echelons oversee the implementation of a number of directives, resolutions, and policies, such as contracting out output to workers, promoting handicraft production, allocating and repairing housing, opposing decadent culture, implementing the military obligation, developing the population according to plan, categorizing party members, and organizing party bases. The oversight work helped the party committee echelons to understand the actual situation of the implementation of directives and resolutions at the basic level, so that there could be an actual basis on which to evaluate the sense of responsibility and ability of cadres, party members, and party organizations and to contribute to improving the combattiveness and leadership and guidance of the echelons.

The districts and cities, except for Hoan Kiem Ward and Dan Phuong and Tu Liem districts, met to isolate the experiences of the implementation of the system of leadership with oversight, but their plans to expand those experiences were not positive. The districts of Tu Liem, Me Linh, and Dan Phuong and the city of Son Tay have not yet expanded that task to any additional base, beyond last year's test points. A number of wards, districts, and cities do not yet have programs for oversight by the party committee echelons.

During the last 6 months of the year the party building work in Hanoi will concentrate on implementing the resolution of the Sixth Plenum of the Party Central Committee, the central focuses of which are doing a good job of carrying out the cadre work: completing the reviewing of cadres and drafting plans for training cadres in the production and economic management units in the municipality; improving the quality of the leadership and oversight by the basic party organizations; perfecting and streamlining organization, improving the leadership mechanism, and managing organization and implementation by the party organs and governmental administrations, promoting a strong movement to fulfill the 1984 state plan, promoting production, and improving economic-social management.

5616

CSO: 4209/471

PARTY ACTIVITIES AND GOVERNMENT

DRAFTING OF CADRE PLANS IN HAI PHONG DISCUSSED

Hanoi NHAN DAN in Vietnamese 24 Aug 84 p 3

[Article by Nguyen Dan: "Party Building: Drafting and Implementing Cadre Plans in Hai Phong"]

[Text] The party committee echelons, governmental administrations, and sectors in Hai Phong have drafted plans for more than 10 years. That work has continued to be promoted since 1978, with the implementation of the directive of the Secretariat of the Party Central Committee on drafting cadre plans. At the beginning of 1983 the Municipal Party Committee issued Directive No 2 regarding the drafting and implementation of municipal leadership cadre and management plans. The resolution pointed out that the drafting of long-range cadre plans must be combined with the immediate strengthening of the apparatus, with concentration on three spearhead sectors of the municipality: industry, agriculture, and export-import; clear determination of the responsibility of each echelon (according to the decentralization of cadre management); and concentration on each type of cadre in each period of time, carried out simultaneously at all three echelons: the basic level, the district-ward level, and the municipal level.

The process of drafting cadre plans is a process of gradual improvement with regard to consciousness and working methods, and is at the same time a process of struggle to overcome the phenomena of perfectionism, lack of confidence, fear of difficulty, oversimplification, closed conservatism, partialism, and favoritism in the cadre work. Economic-social effectiveness and the results of fulfilling the missions assigned have not been made the yardstick for evaluations and decisions regarding the assignment and promotion of cadres.

In addition to organizing study in order to gain full understanding of the policies and resolutions of the Party, the Hai Phong Municipal Party Committee has paid attention to guiding the actual situation to guiding the actual work and has used the specific, real situation to resolve problems regarding thought and unify consciousness. On the basis of experience in forming and organizing the implementation of the resolution regarding the contracting out of output in agriculture the Municipal Party Committee adopted the policy of holding discussions about all proposals in order to achieve a certain degree of unanimity, then organized implementation and gradually made supplementation by means of actual activities, used real results to win everyone over, and brought about a high degree of unanimity. The Municipal Party Committee concentrated

on definitively completing each task, both drafted long-range plans and met the urgent present need for cadres, strictly implemented the policies but was not rigid in applying them, applied them uniformly at all three and in all sectors, made a specific division of labor, clearly determined responsibility, carried out on-the-spot inspections of each task, etc.

A matter of decisive importance is enabling the party committees, and especially the people who head party organizations and units, to correctly understand and directly guide the drafting and implementation of cadre plans. The Municipal Party Committee analyzed the reasons for, and carefully reviewed the situation of, there existing in the same city, with conditions and common leadership by the Municipal Party Committee, some bases and districts building stable, large cadre corps while other places having severe cadre shortages. The district, wards, and bases have entered deeply into reviewing, and gaining practical experience from, the drafting of cadre plans in previous years, in order to do a good job of drafting cadre plans. The Municipal Party Committee requested the service heads, the section head and deputy heads of the Municipal Party Committee, and the secretaries and chairmen of the ward and district party committees to draft plans regarding their function and introduce replacements. The Municipal Party Committee stipulated that the party committees, and especially the party secretaries and the heads of units, were responsible for approving reserve cadres, that promotions had to be made according to plan except in some special cases, and that full evaluations were necessary when reserve cadres were selected.

The drafting and implementation of cadre plans cannot be separated from the building of strong party organizations and the various aspects of the party building work. When the implementation of the political missions and the party building work are combined with the drafting and implementation of cadre plans, the cadre plans have strong persuasive force.

In drafting cadre plans at the basic level, especially in places without internal solidarity, the guidance of the upper echelon is very necessary. The standing committee and Municipal Party Committee members in charge of wards and districts must directly assist, oversee implementation, and ensure accuracy and objectivity in selecting cadres.

The drafting of cadre plans in Hai Phong is combined with party development plans. The party organization of the Bach Dang River transportation enterprise has done a good job in that regard. Among the 70 new party members admitted during the past 3 years, 66 were appointed to positions ranging from the heads of boat, machinery, and barge crews and production team leaders to leaders or deputy leaders of bureaus and factory departments, deputy enterprise directors, etc. The ratio of party members in the party organization who are workers increased by 9 percent and the ratio of workers within the rank of cadres increased 10 percent. That actuality affirms the correct utilization of the policy of combining the drafting of party development plans with the drafting of cadre plans. The drafting of party development plans is the basis of the drafting of cadre plans, and the drafting of cadre plans helps orient the drafting of party development plans. All three aspects of those two tasks -- examination, selection, and the guidance of implementation -- must receive all-round guidance. It is necessary to select and cultivate outstanding members

of the masses, while at the same time training them so that they can serve as reserves for certain cadre positions. In selecting and judging it is necessary at the same time to examine them with regard to the reserve cadre standards and conditions for admission to the Party. The party organization of the Bach Dang River Transportation Enterprise adopted the policy of promoting cadres from among people fully qualified for admission into the party. It is not necessary to be a party member to be promoted to the status of cadre. That policy avoids the situation of inflexibility and tardiness in promoting cadres and ensures that most of the cadres, especially the key cadres, are party members. The party committee of Tien Lang District set forth three specific conditions for combining the party development work with cadre plans: having a 12th-grade educational level, being a Youth Union member, and having prospects for becoming a leadership or management cadre. The organization section of the Municipal Party Committee set forth a work program for specifically guiding the bases in scientifically drafting cadre plans.

Applying those experiences, the basic-level in Hai Phong tied in the drafting and implementing of cadre plans with the drafting and implementing of party development plans. The party organization of Tien Thang village in Tien Lang district selected 70 party development candidates, including 36 reserve cadres, to serve as leaders of deputy leaders of production units, heads or deputy heads of sections and sectors, Youth Union branch secretaries, secretaries of village Youth Union chapters, etc.

In order to effectively implement cadre plans, an extremely important matter is the cultivation and training work. In recent years Hai Phong has sent more than 1,000 specialized, professional, political theory, and economic management cadres to take training in our country and abroad.

The Municipal Party Committee organ held a college specialized in-training course in economic management for 50 members of the Municipal Party Committee, section heads, service directors, and ward and district secretaries and chairmen. The course was taught by the municipal in-service college. After 3 years of study all 50 comrades met the academic requirements. Eight services and Vinh Bao and Tien Lang districts held supplementary economic management classes for each sector. In a period of 5 years the Industrial Service provided supplementary training in industrial economic management for 342 cadres with college-level educations. Therefore, the economic management level of the key cadres increased rapidly.

Thanks to the promotion of the drafting and implementation of cadre plans and to correct policies, the corps of municipal cadres has gradually been stabilized and their ability has been improved, which has contributed positively to promoting the municipality's enterprise of economic, social, and national defense construction and development.

Implementing the spirit of the resolution of the Sixth Plenum of the Party Central Committee, efforts are being made to further improve the quality of the cadre work in Hai Phong, strengthen the sense of responsibility and discipline in organizing plan implementation and in cadre supplementation and training, with the permanent guidance and oversight of the party committee echelons.

5616

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PARTY ACTIVITIES AND GOVERNMENT

ELIMINATION OF FORMALISM, BUREAUCRATISM IN YOUTH UNION URGED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 25 Jul 84 p 2

[Article by Phan Van Dang: "Union Organizations Must Unregretfully Eliminate Formalism and Bureaucratism"]

[Text] Editorial staff's note: Comrade Phan Van Dang, alias Hai Van, is a long-standing revolutionary cadre who is constantly concerned about the young generation's education. He has expressed his views on the speech delivered by the Municipal Party Committee secretary at the Third Congress of the Municipal Communist Youth Union. We are presenting below the views of Comrade Phan Van Dang:

In his capacity as secretary of the Municipal Party Organization, Comrade Nguyen Van Linh has indicated rather clearly the path to be followed, the tasks to be done and the things to be avoided by nearly 150,000 members of the Communist Youth Union and all other youths living and working in the city. His specific and shrewd ideas also reflected the party directives and orders to the union organizations at various levels. As a man who had the conditions to become a forerunner, Comrade Nguyen Van Linh has conveyed his heartfelt thoughts to the young generation and he has placed all his hopes, sentiments and confidence in the youth force concerning the transformation and building of society both at the present time and in the future.

For the communists--especially the elderly ones--, there is no greater concern than that about the young generation. Their sacred duty is to try to do everything to ensure that the young generation is worthy of history and that the splendid pages of the history of socialist construction are made up of the youths' brains and hearts.

The youths are a huge and creative force of society and the scientific-technical revolution is reserved for them. Therefore, they must understand clearly that the socialist state protects their interests and also symbolizes their ideal. Consequently, to be meaningful, socialism needs the youths and the youths also need socialism!

The Municipal Party Committee secretary has highly valued and commended the union's achievements in the recent past but has, at the same time, specifically and deeply analyzed the union's weaknesses and shortcomings in politico-ideological education, in organization and in taking the lead in the recent movements.

Though having the right to be proud of the achievements registered, we are not allowed to become self-satisfied and to ignore the shortcomings committed recently. Our attitude must really be a truth seeking one and we must dare directly face the truth without displaying conservatism as Lenin taught: "If we are not afraid of frankly telling the truth even though it may be bitter and painful, we will certainly and definitely be able to learn the way to vanquish all difficulties." A correct leadership is completely estranged from subjectivism.

Why has the union not been strong enough recently despite the presence of nearly 150,000 members of its municipal organizations? Why has nearly one-third of the total number of union members not yet seen clearly the nature of the socialist regime and why have they had only a vague notion of the enemy? To explain this situation exactly, we must have a correct standpoint and concept without shunning the truth and blaming objective facts. Only by correctly explaining the cause of such weakness can we find the way to carry out the forthcoming tasks realistically and effectively. This is neither difficult nor easy for anyone who examines the situation. We can say that it is "not difficult" because the truth has displayed itself and can be seen by everyone. It is "not easy" either because this depends on whether we dare "frankly tell the truth even though it may be bitter and painful" and whether we dare boldly make a deep analysis with a sincere attitude of self-criticism and criticism. If we lack the courage to look directly at the truth, the union's task will retrogress in the face of the realities of life and will unavoidably run the risk of falling into a powerless position in the face of pressing demands placed on the youths at the present time.

Concerning the youths' education, the Municipal Party Committee secretary has stressed the need to inculcate the communist ideal into them. It is quite right to say that living without an ideal is not living at all. One must live in a manner worthy of a man in accordance with the loftiest concept emanating from this word. Having the right ideal is still insufficient because it is also necessary to struggle for this ideal in order to be completely equal to the human value. In truth, how can one have sound sentiments and act properly without the right ideal and *raison d'être*? Therefore, both reason and sentiments must be enhanced; if sentiments are cold, the heart cannot beat to the same rhythm as the revolutionary trend of this era and will make it impossible to distinguish what is hateful and contemptible from what deserves respect and love and to tell progressive and beautiful from backward and ugly.... If reason and sentiments are not elevated to the same level as the stature of the socialist era, the depth of field of vision will be shortened and the heart and mind will become narrow and selfish and concerned only about one's own interests. Sentiments can be said to be a motive power for action and a yardstick to measure the depth of thoughts so that if sentiments about the present revolutionary cause are not warmed up to the effervescent point, the understanding of socialism will merely remain useless.

Hence, it is necessary to try tirelessly to educate the young generation to enable the youths to live with a legitimate ideal and to induce them to show their faithfulness to this ideal by taking action. Members of the Communist Youth Union must be the first to set typical examples as idealistic youths faithful and devoted to their ideal in order to attract other youths of all strata, to motivate them to live a beautiful life to make the society beautiful and to ensure that their generation's appearance is determined by their generation's deeds.

In the recent past, the Ho Chi Minh Communist Youth Union in the city has done many things in the field of education and in forming the new socialist youth. However, not all union organizations have been equal to the assigned tasks; moreover, they have stood aloof from the youth's pressing issues and failed to react against the erroneous tendencies and predilections of a number of youths. In this respect, is it true that the union's activities are still affected by formalism and bureaucracy which are still rampant within its organization?

I hope that the union organizations will discuss the documents of the recent Municipal Union Congress and will, for practical purposes, conduct enthusiastic and creative debates and find ways to innovate the forms and methods of organization, propaganda and education of youths and teenagers in conformity with the new situation and the characteristics of each age group. This process will have to resound with the strong voice of criticism and self-criticism and will constitute the union's step toward maturity which is required and expected by the Municipal Party Organization.

In motivating youths, the union must exercise patience, flexibility and versatility to suit youths of various strata and age groups so as to bring about a gradual change among them in matters of concept and thinking. While avoiding impatience, it is necessary to refrain from giving a free hand to spontaneous development and letting things drift. The youths' interests and demands must be studied carefully; if the inculcation of an ideal is dissociated from legitimate interests, "the ideal will certainly besmirch itself and will only break off from interests." Dangers and failures are to be expected by those who forget this advice.

The union must resolutely overcome the recent shortcomings in ideological education. We must understand that despite the numerous tasks and affairs of the union, if the ideological task is not considered primarily important, the result of the jobs done will be poor and deviation may sometimes set in.

To raise the entire ideological task in the youths' education to the same level as its great and complex mission, it is necessary really to improve the substance, form and method of the ideological task and to intensify its active role. The theme of the ideological task must be linked to the satisfactory fulfillment of other missions and tasks. Lenin held that "talking about ideology in a general and vague manner is a lazy working method."

The organizational criteria and regulations of the union must be fully manifested in its activities and tasks. It is especially important to thoroughly carry out the specified tasks and to abstain from replacing their

substance with their form. Toward this end, the union organizations must eliminate formalism and bureaucratism without regret. Persistent and continuous improvement must be made and working manners and methods readjusted. We must know how to reorganize our affairs. The organizational task aimed at turning possibilities into realities cannot be replaced by any skillful exhortatory art. We must work "with our brains instead of our tongue tips."

We are enthusiastic and glad to hear about the appearance of brilliant youths in various fields of activity in the city. Though they are merely the early flowers of the city park, I believe that these fresh and beautiful flowers will propagate and blossom everywhere. The variegated colors and fragrances of these beautiful flowers will certainly and gradually wither the wild weeds on our city land. I am sure that our beloved city will take on a civilized appearance both in daily life and labor performance, with all that can be comprehensively and deservedly said to make up a socialist civilized city.

I believe that our youths will consider the heartfelt advice of the Municipal Party Committee secretary as a "commandment of their own hearts."

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CSO: 4209/4

ECONOMIC PLANNING, TRADE AND FINANCE

ECONOMIC INSTABILITY BLAMED FOR PRICE INCREASES

Ho Chi Minh City KHOA HOC VA PHAT TRIEN in Vietnamese Oct 83 pp 31-36

[Article by Tran Du Lich(*): "The Prices of Agricultural Products on the City's Market Today"]

[Text] Editorial Note: in recent years, prices throughout the city have been rising, sharply at some times, slowly at others. The causes of this situation stem from the instability that exists in a number of areas of the economy. The author discusses some immediate steps that can be taken to stabilize prices on the city's market to some degree.

As the most robust environment for the forces of the market economy, Ho Chi Minh City best typifies an economy consisting of five different segments and is the scene of sharp struggle between "socialism and capitalism." Therefore, it is here that the factors controlling prices are most clearly evident.

Looking at the city's overall price situation in recent years, everyone can see that prices have risen over time, sharply at some times, slowly at others, and have often fluctuated for short periods of time, for periods lasting several months.

I. The Price Change Situation

Compared to 1977, we see that prices on the free market rose in subsequent years as follows:

<u>Year</u>	<u>Increase over Previous Year</u>
1978	26.4 percent
1979	43.5 percent
1980	27.9 percent
1981	34.9 percent
1982	82.6 percent
First 10 months of 1983	51.2 percent (1)

During the same period, the rise in grain and food prices exceeded the average rate of price increases on the free market:

Year	Increase over Previous Year
1978	27.0 percent
1979	45.8 percent
1980	27.5 percent
1981	34.8 percent
1982	96.2 percent
First 10 months of 1983	59.76 percent (2)

From the above data, we see that the sharpest price increases occurred in 1982 and 1983. In 1982, prices on the free market rose at a rate roughly equal to the combined rate during the 3 years 1978, 1979 and 1980. This was partly due to the price adjustments made by the state on 1 October 1981, which led to "automatic adjustments" in the prices of all goods on the free market.

If we look at the prices of a number of essential products over the period of 1 year, we see that prices on the free market rose as follows:

<u>Product</u>	<u>Price on 1 September</u> <u>1982</u>	<u>Price on 1 September</u> <u>1983</u>	<u>Percent</u> <u>Increase</u>
--Grade 1 rice	18 dong/kilogram	25 dong/kilogram	38.9
--Grade 2 rice	14 dong/kilogram	20 dong/kilogram	42.8
--Ham	85 dong/kilogram	160 dong/kilogram	82.2
--Lean pork	75 dong/kilogram	140 dong/kilogram	86.6
--Cod	70 dong/kilogram	130 dong/kilogram	88.8
--Perch	40 dong/kilogram	60 dong/kilogram	50.0
--Duck eggs	28 dong per 10	45 dong per 10	60.8
--Granulated brown sugar	45 dong/kilogram	78 dong/kilogram	73.3
--Live chickens	65 dong/kilogram	120 dong/kilogram	84.6
--Green beans	36 dong/kilogram	45 dong/kilogram	25.0

(3)

Thus, the prices of these essential products rose at an average rate of 63.9 percent in the space of 1 year. The prices of pork, fish and eggs, that is, the prices of foods containing protein, rose at the highest rates while the prices of rice, vegetables and beans rose the least.

On the surface, the general situation outlined above shows increases and changes in the prices of all goods on the market; in actuality, however, the price of each type product changes in its own unique way under the impact of factors that are not the same for each type product.

II. The Nature of the Changes in Prices of Some Essential Consumer Goods

1. Rice:

Rice is an essential, irreplaceable food of our people but it is also a type of consumer goods whose consumption is limited by human physiology. Be they

rich or poor, there is a definite limit to the amount of rice that can be consumed by humans, a limit that is independent of changes in living standards. Therefore, the elasticity of demand for rice is very small, changes only slightly and can be easily predetermined. As regards supply, the rice on the free market comes from three sources:

--A small percentage is rice that was sold by the state at supply prices to persons who are provided with a stable supply of rice but who, because they have extra rice or want to trade for rice of higher quality, sell some rice on the market.

--The rice sold on the market by the city grain corporation.

--The rice sold by private merchants. The balance between supply and demand on the market is mainly achieved through these last two components.

In the recent past, the rate at which the price of rice has risen on the market has always been lower than the rate at which the prices of other essentials have risen thanks mainly to the efforts made by the city grain corporation to balance supply and demand on the market. Thus, increases in the price of rice are dependent upon two chief factors:

--Price increases at the places where rice is produced, such as increased production costs, the influence of local supply and demand, etc.

--Increased transportation and circulation costs.

In actuality, however, the price of rice still fluctuates on the market. This is because the quantity of rice being supplied by the market's two main sources--mentioned above--is unstable.

Thus, at this time, the management of the rice market essentially involves managing the rice supply of two market components: the state and private merchants. One component operates under a plan and one operates in a spontaneous manner; however, if the absolute quantity supplied by one component declines and the other component does not promptly compensate for this decline, a price change is inevitable. Of course, this law only applies when, through administrative measures, we eliminate the factor of speculation by private merchants.

2. Meat, fish, sugar and eggs:

These are the essential goods whose prices have risen most rapidly on the market. There are two reasons that explain this:

--Increases in the value of goods (absolute increases).

--Price increases resulting from demand pressure.

The first of these causes can be explained by increases in the costs involved in raising livestock, catching fish, transportation, storage and so forth. However, the internal mechanics of the second cause are much more complex.

In contrast to rice, we are currently experiencing a very large gap between needs and real purchasing power with regard to all types of meat and fish. The elasticity of demand is very high and is closely related to changes in income.

During the past 2 years, the demand for these products rose rapidly as the purchasing power of the two main consumer groups for these products rose:

--One of these groups is restaurants, which have increased in number, especially restaurants that make lavish use of high quality food products and are in business solely to make a profit.

--The second group consists of that portion of the population whose incomes have risen in a rapid, abnormal fashion, such as families who regularly receive goods from foreign countries, persons who engage in embezzlement, conspiracy, smuggling and so forth and another component of the population that redistributes the income of these families and persons through services. Demand among these segments of the population for foods containing protein has risen very rapidly at a time when other segments of the population whose purchasing power is low--cadres, manual workers and civil servants in administrative work within non-material production sectors--are still guaranteed of receiving a specific quantity of these products (under market laws, demand will decline if the purchasing power of the segments mentioned above is brought down), consequently, total demand in society is very high.

It is here that price increases originate. Therefore, under present production conditions, with objective circumstances making it impossible to quickly increase supply, prices can only be stabilized through measures designed to regulate income among the population and reduce the elasticity of demand.

3. Vegetables and beans:

The characteristic of vegetables and beans is that they are influenced by production conditions--mainly growing seasons--consequently, their prices vary widely on the market, with some types, such as green squash, tomatoes, cabbage and so forth, returning to their previous high prices within the space of a year. However, prices do, of course, change dramatically from one period to another during the year. For example, the price of tomatoes was 20 dong per kilogram on 1 January 1983 and only 12 dong per kilogram on 15 March 1983; however, on 1 July 1983, at the end of the season, the price of tomatoes rose to 70 dong per kilogram, after which it fell to slightly more than 30 dong per kilogram by October. The prices of the different types of beans vary, especially the prices of green beans, soybeans and peanuts, which are under the very strong pressure of export procurement prices, consequently, their prices have risen at a very rapid rate on the market.

For example, during the first 10 months of 1982, the price of green beans increased by 150 percent, the price of peanuts by 100 percent and the price of soybeans by 160 percent.

Under the pressure generated by the purchasing power of export services, the partial scarcity of the products mentioned above has contributed to the general rise in prices in society and had the effect of changing the structure of agricultural product prices.

For example, whereas the ratio between the rise in the price of 1 kilogram of grade 1 rice and the rise in the price of 1 kilogram of grade 1 green beans was 8:12 (66.60 percent) in 1980, the same ratio at the end of 1982 was 18:45 (that is, 20 percent).

In a laissez faire economy, this change in the structure of prices would lead to changes in the allocation of crops within agriculture and spontaneously result in the old ratios being restored. However, within our present system of planned production, while we are not spontaneously regulated by what is produced, we are still spontaneously regulated by the law of supply and demand, consequently, irrational changes in the structure of prices still occur. This demands that we establish comprehensive balance throughout the production-distribution-trade-consumption process on the basis of a predetermined and rational price structure. In particular, there must be balance between supply and demand (domestic consumption and exports) in order to limit partial scarcities, which contribute to changes in the prices of essential agricultural products and directly affect domestic consumption.

In summary, in recent years, because production has not been stable, because many contradictions continue to exist in the circulation of goods, because the state's ability to control sources of goods is still limited and because the ties between private merchants and private producers are still tight, we have been unable to establish socialist economic relations within the field of circulation and this failure has led to temporary and "emergency" measures to stabilize prices, measures which have not had a major impact upon the market.

Prices continue to move in accordance with the laws that govern them and in pace with changes in the factors controlling prices. Therefore, control of prices can only be effectively achieved when we control goods on the wholesale level through the various socialist commerce organizations. Under present conditions, particular attention must be given to the position and role of the consumer cooperatives.

III. Some Thoughts on Ways To Stabilize Prices on the City's Market

In actuality, fluctuations and increases in the prices of goods on the market are only the external symptoms of an economy in which production, distribution, trade and consumption are not balanced. Therefore, the main problem that must be resolved lies not in the symptoms, but in the causes, in the sources of price changes, that is, we must examine this matter from the perspective of the national economy as a whole; moreover, it must be viewed against the background of the entire political and social environment of the country and the specific circumstances of history.

However, in the present situation, a situation in which objective circumstances do not permit us to thoroughly resolve the economic problems being faced, we still should attempt to discuss some immediate measures that

can be taken to somewhat stabilize the price increases on the market that are adversely affecting the daily lives of the laboring people and the development of production.

1. Re-examining the business methods of the socialist commerce network.

Within our city, the socialist retail commerce network (state-operated and cooperative) is still primarily concentrated in the industrial goods business, especially metal consumer goods, such as electric fans and household utensils, and still does only limited business in such daily essentials as cloth, thread, ready-made clothing and fresh and processed food products of all types.

There is an objective factor at work here, namely, the fact that the state has better control over industrial goods than it does agricultural products. On the other hand, grain and food products require a higher level of management and are more difficult to manage because of their natural properties.

However, prices also have their origin in goods for which demand is the greatest, goods that are the most essential, especially goods for which there is no substitute, and this, in turn, gives rise to contradictions: the contradictions between the causes of price changes and the ability to control these causes.

Resolving these contradictions is not simply a matter of expanding the socialist commerce network, rather, it also demands efficiency in the business done in these goods.

Investments in the expansion of the socialist commerce network and the rate at which this network grows depend upon the objective circumstances of society, such as financial resources, material bases, management personnel and so forth. Attention must be given to the returns from business investments, that is, to how we can control a quantity of goods that is still limited but achieve through these goods the highest possible impact on the market. In actuality, not every private merchant who controls a large quantity of goods also controls the market, because, control of the market also depends upon how they do business.

--The first thing we must do is build the wholesale network so that we can control goods at their source and reduce the number of intermediary levels in management. For example, in view of their size and the important role they play, the district level commerce corporations should also perform a wholesale function in order to limit the number of obstructions encountered in circulation, make full use of local sources of goods and accelerate the turnover of capital.

--The retail commerce organizations must adopt methods of selling goods directly to consumers and avoid simply seeking a larger volume of sales. Because, when goods are sold retail but do not reach the hands of consumers, they cannot be considered goods that have participated in the market because they have also passed through the hands of speculators who raise their prices and provide an opportunity for the practice of price gouging.

--We should increase the role played by the precinct and district level marketing cooperatives and make the focus of their business processed agricultural, marine and food products.

Cooperatives have the advantages of being able to mobilize capital among the people; they are governed by current financial regulations to a minimal degree; their business capital can be shifted from one use to another and so forth. Therefore, it is necessary to develop the precinct and district level cooperatives into wholesale businesses in agricultural and marine products with a view toward gradually replacing private wholesale commerce, such as the wholesalers and dealers in the vicinity of the Cau Muoi-Cau Ong Lang Market. Under present circumstances, in undertaking the wholesale role of private businessmen--who have an extensive network linking production areas to the markets within the city--cooperatives have more advantages in their favor than state-operated corporations for transforming private wholesale commerce.

--For a long time, cooperative commerce has tended to "seek goods" from sources that lie within the state sector (such as high priced goods, goods with a guaranteed market and so forth) rather than establish ties with private sources. This problem has wasted a portion of the potentials of socialist commerce in the struggle on the market.

As regards goods that are controlled by the state sector, the management skills of the state-operated home trade sector should be improved to meet business requirements. Cooperatives should focus their businesses on sources of goods that are not controlled by the state and mount a struggle against dealers to control the purchasing power of private merchants by means of a rational price system.

To support the operations of cooperatives, we must widely organize credit cooperatives and conduct a study to determine which interest rates are reasonable but still capable of attracting idle money among the people, thereby providing a source of business capital and reducing demand pressure on the market.

2. Tying the business of socialist commerce to market research.

In business, market research plays a very important role, sometimes the decisive role, in the economic returns from business investments. Market research is a mandatory part of our "business education."

The businessmen, even the socialist businessmen, must always determine what the market needs, not what we must sell.

Therefore, the businessman must keep abreast of supply and demand on the market, predict price changes and the elasticity of supply as well as demand for each type product, know the potentials of private merchants and so forth, that is, must know what the market needs each hour of each day in order to meet this need.

This does not mean that the mode of business of our socialist commerce at this time must be one of chasing after the market and allowing the market to

control business activities, rather, it means that market research has the reciprocal effect of directing the market by means of the price lever. To use this lever in a manner that has a positive impact, it is, of course, necessary to know the forces affecting the price of each type essential product, the balance that exists now and the possible situations as well as times when this balance can be disrupted.

In this area, private merchants have long been more adept than we. They have the ability to "smell" a lack of balance between supply and demand, know the "flash points" of prices and use them to their advantage. Consequently, socialist commerce absolutely must, through market research, learn what these forces affecting prices are so that it can work to create balance and eventually stabilize prices on the market.

3. Eliminating the bottlenecks in the field of circulation.

Bottlenecks in circulation arise in many different ways and assume many different forms, some from within state-operated commerce and some from within private commerce.

As regards state-operated commerce, the prime cause of bottlenecks is the irrational distribution of retail stores, as a result of which some places have many stores that do business in similar products or products being sold on an irregular basis (that is, certain products being completely unavailable at one place but backlogged at another), thus creating artificial scarcities that artificially raise prices and provide opportunities for speculators.

On the other hand, in our management, we usually allow goods to "lie idle" because of the excessive number of procedures and management levels that are involved in the movement of goods from procurement to retail sale, as a result of which a large quantity of goods is stored in warehouses at a time when the market is being pressured by demand and private merchants are controlling prices. Bottlenecks that stem from circulation activities often occur when we fail to find a management mechanism suited to market conditions, especially when we are caught off guard by price changes outside the country.

Sometimes, because we fail to handle retail sales well, goods pass through another intermediary, the private merchant, and prices are raised. Bottlenecks of this type are entirely the result of shortcomings on the part of state-operated commerce.

However, another form of bottleneck in circulation occurs as a result of administrative measures taken to control economic forces. As we know, price stability always occurs when there is balance among the factors controlling prices. That is, at some point in time, there is balance among the factors that control the price of every product and when these factors change, a change in price results.

Here, attention must be directed to the balance between supply and demand on the market when the sources of goods are balanced. Facts have shown that if we limit the circulation of a product of private commerce but do not increase the quantity of this product being circulated by socialist commerce

accordingly, the existing balance is disrupted to the point where the product's price is disrupted. Contrived circulation brought about by uncoordinated administrative measures that negate economic measures is the most common form of bottleneck in circulation.

As regards private commerce, the most common bottleneck in circulation takes the form of speculation and hoarding. The law that governs the activities of speculators and hoarders is to constantly create price opportunities advantageous to themselves by means of the cash at their disposal, by means of the factors that control the magnitude of demand on the market and by always looking for ways to exploit our shortcomings in economic management.

Speculators and hoarders not only operate on the basis of the forces behind price changes, but also know how to create "flash points" in the prices of a number of essential goods, thereby creating a partial artificial scarcity or surplus in order to "cash in."

In summary, eliminating the bottlenecks in circulation first of all requires the complete removal from commerce of the dishonest merchants who engage in speculation and hoarding followed by, and this is the most important point, increasing the business efficiency of the socialist business network.

4. Across the board price adjustments in the prices charged by state stores and cooperatives should be avoided.

In business, a matter of principle and practice is that not every transaction yields a profit and losses must sometimes be incurred but, on the average, business must be profitable over a given period of time.

--Private merchants are very flexible and mobile in this regard so that they can accelerate the turnover of their capital and meet the price requirements of the market.

--Socialist commerce is generally "rigid" in this regard, consequently, it is often caught off guard in the face of market changes and is forced to adjust prices across the board at state stores and cooperatives, thereby affecting prices on the free market.

If we displayed the necessary flexibility and mobility in business, we generally would only need to partially adjust prices in order to regulate the market and could, even with a limited supply of goods, regulate the market on the basis of the scientific results of market research.

5. It is necessary to exploit the competition and mutual destruction within private commerce.

The nature of private commerce is one of competition and mutual destruction in the capitalization process. This results in self-control and self-regulation of the market. This is something that we must exploit in the process of managing the existence of this economic segment.

In actuality, the private commerce system has formed kinds of internal "economic-political ties" to oppose the socialist commerce system on the market.

In the struggle to resolve the question of "who triumphs over whom" that exists between socialism and capitalism, it is necessary to break these ties. Thus, we must have an impact upon their competitive and mutually destructive nature through economic measures, and administrative measures as well, such as taxes in order to achieve self-regulation within this segment of the economy. And, in order to begin to gradually limit the existence of the private commerce system, all that we can utilize right now are the law of value and the law of supply and demand.

Any measure that creates economic stability for private commerce will adversely affect market management and, more importantly, affect the socialist transformation of this segment of the economy.

6. Making rational use of the tax lever.

As we know, the functions of taxes always include the role of taxes as an economic lever regulating prices and the incomes of the various strata of society. Therefore, if a tax measure, instead of regulating prices and making them more stable, has the opposite effect and creates instability in the market, it must be re-examined to determine how rational it is.

In actuality, private commerce and the private services have justified their price increases in recent years as being necessitated by increased taxes. It is very necessary to study this matter.

--To begin with, due to the serious imbalance between supply and demand on the market, the prices of goods have become more further removed from their inherent value with each passing day. Businessmen generally include all taxes--including income taxes--in the base price of the products they sell. Although this violates the law of value, goods are still accepted by the social market because of the law of supply and demand.

--Secondly, because our method of raising taxes has frequently been to raise taxes uniformly but to only impose the overall increase as an average increase on a certain portion of the tax base or per businessman--by uniformly raising the amount of business revenue from each type product, product A, product B, product C and so forth, that is income, businessmen have responded by raising the prices of all goods in order to compensate for discriminatory taxes. Inadvertently, the free market has become a monopoly and the consumer has no choice but to accept the new price. In summary, in both cases, the person who actually pays these taxes is the consumer.

Thus, in order for taxes to serve the functions of regulating market prices, regulating income and limiting divisions along class lines, tax measures must be based on the existing conditions of the market.

A tax measure can only have a positive effect when:

--The tax increase does not become a part of the price of a product.

--The price increase does not turn the free market into a monopoly (across the board tax increases assessed as an average tax increase per tax payer should be avoided).

--The tax increase truly regulates the income of the businessman (based on a progressive income tax).

--The tax increase has the effect of dividing and breaking up the collusion within the private commerce system.

--The tax is increased under conditions in which it is possible to project the resulting increase in prices and the total increase in taxes will always be larger than the total increase in prices during the same period of time.

Thus, tax measures not only involve deciding whom to tax, but also which products to tax, and deciding this requires market research.

FOOTNOTES

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1. Figures from 1978 to 1981 based on data compiled by the Finance Office of the Municipal Planning Committee.
2. Figures for 1982 and 1983 compiled by the author during his study of the market within the 1st Precinct of Ho Chi Minh City.
3. Based on the daily retail price records of the Ben Thanh Market and Cau Muoi-Cau Ong Lanh Market Management Committees.

7809

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HOME TRADE DIVISION URGED TO IMPROVE FOOD DISTRIBUTION

Hanoi QUAN DOI NHAN DAN in Vietnamese 6 Aug 84 p 3

[Article: "How to Control Food, Farm Products and Guarantee Their Supply to Civil Servants and Armed Forces Members"]

[Text] Through our readers, readers inside as well as outside the Army, we have been informed that the supply of food by means of coupons to cadres, civil servants and armed forces members is still irregular and not yet stabilized. The food shops explain: this situation is due to the extreme difficulty in buying at wholesale food, farm products. In what consists this difficulty? Have we made any attempt to overcome it? At our readers' request, we invited a cadre in the Home Trade Division to discuss this problem.

A major party and state policy and an important task of the Home Trade Division is to buy and control wholesale goods including food and farm products. The wholesale purchase of farm products aims not only at having goods on hand but also at developing agricultural production in an orderly manner in the economic sense of the term. The Home Trade Division buys food and farm products at wholesale first of all to secure goods and supply them to workers, civil servants, and armed forces members in order to fill the needs of nonagricultural people, especially urban labor people. It aims at opening up business competition with the free market and at acquiring goods for exports so as to bring in foreign currency and import essential raw materials and goods not produced domestically but vital to the people's lives.

This year the Ministry of Home Trade set the following standards: buy 14 billion dong worth of food and farm products wholesale; control virtually all important agricultural goods of high value and concentrated in specialized cultivation regions; control 60 percent of the production of pigs coming from the plains of the Red River, the Cuu Long River, the food belt surrounding cities and 50 percent in other areas; and purchase a large number of buffaloes, cattle, ducks, eggs and marine products from concentrated production regions.

Since the present economic conditions of our country do not permit a unified system for the wholesale purchase of food and farm products, in order to control food products and agricultural goods a major measure would be to

strengthen the wholesale purchases according to standard regulations (obligation and sense of obligation) and price guidelines set by the state, while on the other hand buying goods at wholesale outside the plan (including guiding standards) at incentive prices. Today there is much progress in the task of wholesale purchasing of food and agricultural products, especially pigs, handmade sugar, soybeans and greenbeans. The plan for purchasing food and farm products wholesale in 1984 has encouraging results: the total value of food and farm products bought wholesale during the first 5 months of 1984 is equal to 170 percent of the total for the same period last year. The amount of pork purchased during the first 4 months of the year in the northern region increased by 20,142 tons compared to the same period in 1983. Handmade sugar purchased during the same 4 months in the southern region amounted to almost 60,000 tons. The improvement in wholesale purchases also ameliorated the mobilization of goods to the Central. Virtually all localities deliver pigs and handmade sugar to the Central according to the plan or beyond. In 5 months a number of localities have already met the standard delivery of products required for the first 6 months of 1984 plan. Thus, the state has goods to better fill its needs and to guarantee their supply to workers, civil servants and armed forces members.

However, despite these progresses, the control of goods in general and that of food and farm products in particular is a major factor in socialist trade and today presents many complex and difficult communication and distribution problems. Although the amount of food and farm products bought at wholesale has increased, it is still not sufficient to fill consumption needs; for some goods it is not enough to provide the standard quantity to workers, civil servants and armed forces members. The amount of goods controlled by the state is still low (mobilization scale) compared to the volume of goods production and even lower compared to the quantity of products. Results in collecting and purchasing among various localities are uneven, some localities do well in purchases while others do poorly. Improvements made in wholesale purchases are not yet firm, they do not yet match with real potential; some goods were purchased well last year while this year they fare poorly. From after the Tet to the middle of May, pigs are bought wholesale in great quantities, such that at times there is no time to process the wholesale purchases. However, then after this the situation becomes difficult again and market prices of pork rise high. The wholesale purchase of soybeans in the southern region in 1982 surpassed the plan, but in 1983 purchasing reached a low level and this year it will have difficulty in reaching the plan's level. The wholesale purchase of handmade sugar in northern provinces in 1983 had good results, but this year no progress is being made.

The instability and irregularity of the wholesale purchase process has many causes. For agricultural production, our country does not yet have many specialized cultivation production areas with high rates for goods. Agricultural production still depends on nature. Good crop years result when every fruit and product can be bought; conversely, bad crop years result when everything is hard to sell. There are also other causes relating to a number of practical policies on the wholesale purchase process that are not yet satisfactory, that encourage one aspect while restricting others, and are

still "loose" with respect to a number of important products such as buffaloes, cattle, poultry, eggs, fish, fresh water, etc. These direct difficulties have limited results of the wholesale purchase process in the following manner: the capital goods budget and merchandise reserved to wholesale purchases do not match with the level set in the agreement and the delivery of capital goods to the producer does not conform to the time frame; the type and quality of goods do not meet the producers' requirements; sometimes there is a serious shortage in cash reserved for wholesale purchases; the producer is not paid his due or is not paid in time; and there is an extreme shortage of transportation. However, the important causes relate to subjective shortcomings. In reality, places which do poorly in wholesale purchasing are those where cadre leaders and trade units do not yet realize that they should exploit local goods; they wait and depend on goods coming from other areas; commerce and production are not yet closely linked together; commerce does not serve production and even creates difficulties, annoying producers who bring their products for sale. It is very difficult for the producer to buy a pig, but it is also not easy for him to sell one to the state. In southern provinces, many places have not gotten rid of using merchants in the wholesale purchase process. The merchant takes advantage of this practice to seek profit from the state and to exploit, to oppress the producer.

To perform well in the task of wholesale purchasing so as to guarantee the supply of standard products to the Army, cadres, workers of the Home Trade Division devote their efforts to production activities and services in order to exercise control right at the production level. In the attempt to exploit goods, they should be controlled on the spot so as to both promote productivity and increase the production volume at minimum cost. The transport of fresh products from distant places should be avoided whenever possible; on the spot transactions provide more opportunity for initiatives and are more cost-effective even if prices are higher than other places. State-operated commerce and marketing cooperatives must make an effort to control such important goods as pork, buffaloes and cattle, soybeans, greenbeans, peanuts, jute, rattan, fresh vegetables, etc. Efforts should be made with respect to buying at wholesale other nonessential but important goods such as fish, fresh water, domestic birds, eggs, tobacco, and so on. This is done in order to increase the volume and variety of goods controlled by the state and fill society's consumption needs.

Wholesale purchasing, on the basis of a two-way agreement, is the effective form that puts to use economic levers designed for capital formation and state control of produced goods. This planned measure is most appropriate to economic collective and individual components, is most advantageous to producers, and is the most effective way of stabilizing the market and prices. The Home Trade Division already has a plan for close management of the capital goods budget and merchandise reserved for wholesale purchases. The delivery of capital goods should be organized so as to meet production time frames. Goods should be selected per producers' wishes and requests, and 15 percent of the capital goods budget should be put to good use. Stocked goods should be used to supplement localities which surpass the plan in wholesale purchases. In provinces of the mountainous region, especially in

districts bordering the northern frontier, it is necessary to apply appropriate incentive prices to allow the purchase of many goods, agricultural products (especially pigs, buffaloes and cattle, soybeans) on the spot for supply to the Army, workers, civil servants and to limit heavy transport expenses. In the south, productivity and goods output should be investigated and controlled in order to have a concrete plan for the distribution of capital goods and merchandise to each region and each phase; payments should be made timely and in full. The wholesale purchase transactions should be done directly with the primary production levels so as to control the source of goods.

With the strengthening of state-operated commerce, marketing cooperatives expand purchasing activities entrusted to various sectors, increase the wholesale purchase of outside goods, and create appropriate conditions for farmers and cooperatives to sell their products and join the state-operated commerce in mastering and controlling the market, especially the market for pork in the countryside. At the same time, management measures should be strengthened and aimed at tightening the market at the source in order to prevent merchants from competing with the state in buying. This also forbids them to buy goods and farm products from concentrated production areas as well as important goods that the state buys wholesale on a unified management basis. These are active measures that the Home Trade Division is trying to apply in order to improve the control of goods and guarantee the supply of standard goods to the Army, cadres and workers as stipulated by socialist trade.

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ECONOMIC PLANNING, TRADE AND FINANCE

NHAN DAN EDITORIAL STRESSES SUPPLYING OF RATIONED GOODS

Hanoi NHAN DAN in Vietnamese 22 Aug 84 p 1, 4

[Editorial: "Ensure the Supplying of Goods to Cadres, Workers, and the Armed Forces"]

[Text] Gradually stabilizing and improving the living conditions of the working people, especially cadres, workers, and members of the armed forces, is an urgent responsibility in distribution and circulation. The Sixth Plenum of the Party Central Committee set forth measures for fulfilling that mission.

The cadres, workers, civil servants, and members of the armed forces are people who receive salaries and allowances. The basic principle for improving the salary system is causing salaries to correctly reflect distribution according to labor and ensuring that workers can produce their labor force. At present, salaries are distributed in two forms, in-kind and value, of which in-kind salaries are very important.

During the past several years, despite the fact that the nation's economic situation has been beset with many difficulties and imbalances, especially imbalances between production and consumption and in the sphere of distribution and circulation, we have made all-out efforts to create sources of supply and ensure the better supplying of the nine essential goods to cadres, workers, and members of the armed forces. During the first months of this year the commercial sector made new advances in ensuring the supplying of those essential goods. A number of localities, such as Hanoi, Ho Chi Minh City, Dong Nai, Cao Bang, etc., in addition to ensuring the goods supplied according to rationed standards sold a number of essential goods at guidance prices. The sectors, localities, and basic units have also strengthened their sense of responsibility toward the lives of the working people, found many specific measures for promoting production, increased incomes by means of piecework salaries or bonuses, and organized the increasing of production in order to have additional consumer goods to supply to cadres and workers. But in general the lives of workers are still beset with many difficulties. Although monetary salaries increased they still could not make up for changes in market prices. As regards in-kind salaries, many places have not yet fully met the ration standards, have not promptly supplied the goods, or have arbitrarily substituted goods. Price differential allowances, especially for grain prices, are too low in comparison to prices on the free market.

In order to stabilize and improve the living conditions of people who receive salaries and allowances it is necessary to rapidly overcome those deficiencies. Greater efforts must be made to ensure the supplying of in-kind goods to cadres, workers, civil servants, and members of the armed forces. At the Sixth Plenum of the Party Central committee Secretary General Le Duan said, "Under the present conditions the resolution of the salary problem is not merely a matter of increasing nominal wages according to changes in 'free' market prices, but is first of all and essentially a matter of ensuring the distribution of a rational amount of essential goods to the workers. Therefore, it is necessary to apply a system of supplying essential goods at stabilized prices so that the basic part of real wages will not be dependent on continually changing market prices. At the same time, as regards the part of salaries that is still affected by price changes, it is necessary to regularly review it in order to ensure the real income of workers, civil servants, and members of the armed forces. In that spirit, on the basis of promoting production and in addition to struggling to stabilize market prices the state is stepping up its purchases in order to control the sources of goods, setting aside goods to sell at supply prices, doing a better job of organizing distribution, and ensuring that essential goods sold at stabilized prices account for most of the workers' salaries. In organizing distribution it is necessary to resolutely oppose the attitude of paternalism and bestowing favors and the creation of red tape, and to oppose the reduction or adulteration of standards or the supplying of goods below the designated quality. The state's supply policy is applied toward all eligible categories of people. The responsible organs must ensure the supplying of essential goods in correct accordance with the quality standards and the stipulated time and restrict monetary supplements as a substitute for the supplying of in-kind goods, especially with regard to grain and food products. State commerce must do a better job of supplying goods, while at the same time coordinating with the marketing cooperative sector in concentrating on ensuring that there are sufficient goods to meet the ration standards and going all-out to expand the selling of goods at stabilized prices. As regards the supplying of goods according to ration standards to cadres who are working at the basic level or are assigned to districts, the marketing cooperatives may assign rationed goods to state commercial stores, which would collect ration stamps.

Ensuring the supplying of in-kind goods which meet the standards, in the correct amounts, or within the correct times to cadres, workers, and members of the armed forces is a responsibility not only of the distribution-circulation sector but also of the localities, sectors, and production bases, which have the obligation of delivering products to the state. A plentiful supply of goods is the basis on which to solidly ensure distribution, and distribution will enable the workers to be at ease and be enthusiastic in promoting production, increasing productivity, and improving quality and effectiveness in production and work.

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ECONOMIC PLANNING, TRADE AND FINANCE

SOCIALIST TRADE EXPANSION, PRICING-FINANCIAL POLICY EXPLAINED

Hanoi TIEN PHONG in Vietnamese No 36, 4-10 Sep 84 p 2, No 37, 11-17 Sep 84 pp 2, 3

[Exchange of views between TIEN PHONG reporter and Dang Duc Dam, deputy chief of Distribution and Circulation Department of the Central Institute of Economic Management Research; date and place not given]

[4-10 Sep 84, p 2]

[Text] Reporter: Since you are an economist specialized in distribution and circulation research, I would suggest that, for the benefit of TIEN PHONG's readers, you speak more specifically about the urgent problems related to distribution and circulation as indicated in the Sixth Resolution.

Dang Duc Dam: The Sixth Party Central Committee Plenum has set forth the targets, requirements and guidelines for improving distribution and circulation and has pointed out the need to carry out two types of work simultaneously in the forthcoming years. The first task will be to resolve the market management problem and to strengthen the socialist commercial sector. The second will be to readjust the policies on prices, wages, finance and currency according to the requirements of the new situation and mission in order to better serve production, socialist trade and the laborers' life.

Reporter: Will you please further clarify the new policies on market management and socialist commercial expansion.

Dang Duc Dam: To manage the market effectively, it is necessary to uniformly apply three types of measures--economic, educational and administrative. The most important economic measure consists in consolidating and expanding socialist trade and using it to replace the free market and contribute to its reform and management. Therefore, the resolution of the Sixth Party Central Committee Plenum has urged "efforts to consolidate the state trade and marketing cooperative network and to extend it to the grassroots level." Along with organizational strengthening, it is thus necessary to improve the commercial mechanism and to create conditions for state trade and marketing cooperatives to apply the socialist commercial principle exactly and to move forward to occupy the merchandise circulation battlefield and master the society's market.

A modern and civilized form of commercial enterprise is to do business on contracts. Socialist trade must use two-way contracts with producers as its principal method of purchasing goods and grasping their sources so that

purchase at agreed prices will be effected only as a secondary procedure. According to the spirit of the resolution, the goods covered by two-way contracts will be composed mostly of production means and staple commodities will be included in the contracts only when they are needed by producers. Industrial goods will not be used for direct exchange or as a complement to the purchase prices of agricultural, forest and aquatic products; this stipulation is aimed at sparing producers the trouble of buying and selling these goods, thus preventing them from turning into "traders" and creating loopholes in merchandise and capital management and so forth.

In the new mechanism, district people's committees will be responsible for organizing and guiding the signing of contracts between state commercial units and producers and also for creating conditions for both sides to execute the contracts strictly. Any side who breaks the contract will be compelled to indemnify the other and penalized according to the economic arbitrator's decision.

Simultaneously with strengthening socialist trade, positive efforts must be made to improve and tightly control the free market, to eliminate the black market, to abolish capitalist commerce and resolutely to exercise the state's exclusive right of dealing in staple commodities, etc.

[11-17 Sep 84, pp 2,3]

Reporter: Over the past few years, some distribution policies have been amended and have had the effect of stepping up production and commerce but more vigorous changes are still required in view of the actual situation. Please tell us more clearly about the policies and measures recommended in the Sixth Resolution with a view to meeting these requirements.

Dang Duc Dam: Improving the distribution policies concerning prices, wages, finance, currency and so forth is a lengthy process. After the issuance of the 26th Resolution by the Political Bureau, some distribution policies have been improved on but not yet homogeneously and the changes effected in many domains have not been vigorous enough to meet requirements of the new situation and mission. The Sixth Resolution calls for an urgent adjustment of policies on prices, wages, finance and currency with the aim of correctly resolving basic relationships in the national economy (such as between accumulation and consumption, between industry and agriculture, between the incomes of various strata, etc.); the resolution points out the need to understand thoroughly the distribution-according-to-labor principle, to abolish excessive bureaucracy, to make laborers enthusiastic about production and harmoniously to coordinate various types of interests including those of the entire society, of the collective and of laborers and those of the central, local and grassroots levels.

Reporter: In the past few years, we have implemented a two-price list policy which has been discussed again in the recent Party Central Committee resolution. Is there anything new and noteworthy in this issue?

Dang Duc Dam: It is true that we have implemented such a two-price list policy since a few years but a slack and nonuniform application has led to the creation of many price rates. Afterward, the state trade sector has used industrial goods to "beef up" the agricultural product purchase prices. As we have seen, this pricing situation has led to a serious prevalence of the practice of speculation and "repeated purchases and sales" aimed at making a profit from the price differentials. The Sixth Resolution calls for uniform implementation of the two-price list policy. Beside the system of stable prices (such as those of goods supplied in specified quantities to cadres, manual and office workers and the armed forces, those mentioned in two-way contracts, those for industrial product wholesale and so on), there are certain flexibly directed prices (for retail, purchase above and beyond contract norms and so forth). The latter type of prices will be directed in a flexible and supple manner in the struggle against the free market to put more sources of goods into the hand of the state and to positively regulate the market demands.

Together with other measures, prices will thus play an important role in encouraging producers to sell their products to the state trade sector, thereby limiting the practice of rebuying and reselling to profit from price differentials.

Reporter: Production cost is highly important to the price system, in general, and to economic accounting at the grassroots level, in particular. Will you please help our readers understand more clearly the way to solve this problem as indicated in the Sixth Resolution.

Dang Duc Dam: To our knowledge, production cost is the foundation of the price system. However, our current production cost does not exactly reflect production expenditures and it includes both shortages and excesses. Many expenses which should have been included in the production cost are still excluded (such as salary supplements, capital depreciation, price differentials of imported materials and raw materials...). For this reason, the enterprises' profit does not accurately represent production and business efficiency and the state has had to grant enterprises huge subsidies though almost all of them have made some profit. On the other hand, there are irrational, illegal and even "negative" expenses (up to 10-12 percent of the production cost) which have not yet been excluded from the production cost so that suitable remedial measures may be taken.

To have the right prices, great efforts must be exerted to reduce waste, deterioration, shortage and losses, to overcome negative practices, to eliminate unreasonable and illegal expenditures and, at the same time, to use materials, capital, etc., very effectively in order to lower production cost and reduce circulation expenses. For this reason, the Sixth Resolution urges that "production cost be calculated realistically and accurately" to create conditions to implement economic accounting and to provide a basis for price determination.

As for the wage system currently in force, it was designed in 1960 and has now become irrational after many patchy adjustments. There is a pressing need to improve the wage system, to ensure that wages really promote labor reproduction, to fix realistic wages to step up production, stabilize and gradually

improve the living conditions of salaried people, to better implement the principle of distribution according to labor, to establish rational relationships between various trades and occupations and to apply a necessarily uniform wage system throughout the country.

Reporter: Why does the Sixth Resolution state that wages must be composed of two parts: a stable and a variable one?

Dang Duc Dam: Because of the supply imbalance and price instability, the state must apply the system of supplying staple commodities at fixed prices to salaried people. However, the scope of the system of supplying goods in specified quantities has failed to fully meet daily needs so that manual and office workers have been obliged to set aside part of their income to buy additional goods above and beyond the supply scope and the supplied quantities. This part of their income is likely to be affected by price fluctuations.

Therefore, wages must be made up of two parts: The stable one must be ensured by the system of supplying specified quantities at fixed prices and must be considered basic while the variable one must be adjusted according to the actual cost-of-living index.

Over the past few years, to help remove difficulties in the salaried people's living conditions, the state has taken many measures about allowances but, as we have seen, it is obvious that the most decisive factor for the actual salaries at the present time when prices are fluctuating is still a sufficient and timely supply of staple commodities in specified quantities at fixed prices. It is precisely for this reason that the Sixth Resolution calls for a sound organization of supply in order to guarantee the actual wages of manual and office workers and members of the armed forces. In practice, a number of enterprises have assumed the management of (grain and food) stamps and coupons for workers in order to associate supply with the result of each individual's work. Consequently, these enterprises have managed labor more tightly and applied the distribution-according-to-labor principle more appropriately. This method must be perfected and applied widely.

Reporter: Will you please explain some basic features of managerial improvement in the financial-monetary domains according to the Sixth Resolution spirit.

Dang Duc Dam: Finance and currency are highly important domains which have, however, incurred great difficulties and complexities with regard to distribution and circulation. To overcome the present difficulties and imbalance, it is basically necessary to develop production with increasing productivity, better quality and greater effect. On this basis, more and more sources of capital must be created for the national economy and state budget. The Sixth Resolution has indicated specific policies to improve financial-monetary management systems and policies so as to intensify the service to and management at the grassroots level. On the other hand, the "joint action by the state and people" motto must be systematically implemented to accumulate more capital to step up the building of public welfare projects (such as roads, bridges, sluices, small-scale hydroelectricity, schools, public health stations, etc.) and to develop education, culture and public health service in general.

Of course, production must be accompanied by thrift. Uncle Ho frequently told us: "Production without thrift is like wind blowing through an open house." Therefore, while intensifying production, we must implement a policy of rational consumption and thrift in both production and daily activities. As assault troops in all fields of activity, our youths must be more imbued with thriftiness. In production, we must try to economize labor, supplies, raw materials, energy and so forth. In daily activities, we must develop an industrious, thrifty and simple lifestyle consistent with our country's economic situation and our national traditions, firmly oppose the prodigal and dissolute way of life and stop squander and boastful formalism in holding meetings and receptions and offering gifts.

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